

**Food Industry Taskforce on Addressing  
Factors Contributing to Obesity**

***FINAL REPORT TO MINISTERS  
OF HEALTH AND FOOD SAFETY***

**20 December 2018**



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## Executive Summary

The food and beverage industry is committed to working with Government, non-government organisations and the community to address factors that contribute to obesity. The industry recognises the global obesity issues and shares concerns about obesity levels in New Zealand.

A Food Industry Taskforce Addressing Factors that Contribute to Obesity (the Taskforce) was set up, at the request of the Ministers for Health and of Food Safety, to identify what more industry could do to assist. The Taskforce represented the processing and manufacturing industry, the retail industry and the fast food, hospitality, restaurants, baking and service station sectors. Ministers asked for:

"A package of practical measures that will make a contribution to the broader range of Government initiatives aimed at addressing consumer knowledge and consumer healthier choices." (Taskforce Terms of Reference, **Attachment A**).

To inform its work, the Taskforce conducted an industry survey in August and October 2018 seeking information and suggestions from companies and associations on practical measures they had taken or could take in the future.

The 51 recommendations deliver a 'package of practical measures' by addressing five main areas:

- Food and Beverage Formulation and Innovation
- Employee Health and Wellness Programmes
- Community and Education Initiatives
- Food and Beverage Marketing
- Labelling and the rollout of Health Star Ratings.

Three aspects are considered the highest priority activities for the industry: Reformulation, Health Star Rating (HSR) system, and Education.

### *Reformulation*

By reformulating packaged foods, and developing new products that reflect reduced negative nutrients and increased positive nutrients, the consumer does not need to change behaviour to get healthier foods – simply make a choice. This is a powerful way of addressing the factors that contribute to obesity. Recommendations to deliver this require ambitiously expanding reformulation targets beyond the current targets into a range of categories that are being developed in Australia (so that there is trans-Tasman alignment) (**Recommendations 5, 6 and 8**). The beverage industry is specifically developing a bold new sugar reformulation pledge programme to be announced in February 2019 (**Recommendation 7**).

NNS is needed to form an evidence base to set targets and direct efforts for reformulation and education. It is vital that New Zealand conduct another Children's National Nutrition Survey and an Adult National Nutrition Survey. It is not just industry pressing for this, as there is equal support from public health, non-government organisations (NGOs), academics and researchers. Both the Children and Adult Surveys are very dated, with the Children's National Nutrition Survey now 17 years old. Consumption patterns have likely changed a lot in the 21<sup>st</sup> Century. Updated information about what New Zealanders consume is a vital platform for building effective health policy (**Recommendations 3 and 4**).

### *HSR*

The HSR system has already resulted in extensive reformulation on an estimated quarter of the eligible packaged foods available, building on work by the manufacturing sector that has targeted sugar, salt and saturated fat over the past decade. Recommendations for HSR (**Recommendations 44-46**) focus on expansion (increased uptake) and consumer education but this must have regard to the 5-Year Review of the system currently underway and due to be presented to Australian and New Zealand Ministers responsible for food by the end of 2019.

### *Education*

Education on nutrition complemented by initiatives in schools by both the primary processing and manufacturing sector takes the HSR information and complements it with the development of cooking and shopping skills for children creating an intergenerational uptake (**Recommendations 26 to 29**). Education is also necessary for understanding kilojoule information on menu boards in fast food outlets, a key recommendation of the Taskforce Report, and for recipes provided on industry websites (**Recommendations 47 and 49**).

### *Other related recommendations in the above areas and in areas of Employee Health and Wellness and Marketing*

Other recommendations in the Reformulation and Innovation area cover company nutrition policies (**Recommendations 1 and 2**), serving and portion guidance (**Recommendations 9 to 13**) and uptake of the Be Treatwise® programme in New Zealand (**Recommendation 14**).

The food industry employs over 750,000 working New Zealanders. This is a captive sector of the population that already benefits from employer health and wellbeing initiatives (**Attachments C and D**). The industry is very active and innovative in this area and the recommendations in the Taskforce Report focus on sharing, expanding and developing programmes (**Recommendations 15 to 19**).

The food industry has a very strong presence in the community, not only as an employer but in giving back and supporting the community. Every day, community groups seek assistance or sponsorship from food companies. The food industry responds not only to these but also with ideas and programmes that deliver health and wellbeing to all sectors in the population but most particularly to school children and young people. For example, the Weetbix Triathlon is the largest programme of its type in the world, the Fonterra and Sanitarium breakfast in schools (KickStart) and Fonterra Milk for Schools programmes reach many thousands of schoolchildren every day. There are many other national and local programmes described in this Report (**Attachment E and F**).

Recommendations in the area of community and education, aside from the school-related educational recommendations noted above, focus on sharing, expanding and developing programmes (**Recommendations 20 to 22, 30 and 31**). The Report also identifies the value of a food industry liaison point in each of the Ministries of Health and Education in enhancing collaboration and joint work (**Recommendation 23**) especially in the development of resources for schools (**Recommendation 24**).

Also in relation to schools, the industry is seeking the assistance of the Government to work with schools to encourage them to adopt a water-only (and milk) policy in Primary and Intermediate schools (**Recommendation 25**). It is important that schools are healthy environments for children, which is why it is important to fulfil the aspiration of the Voluntary Schools agreement (announced in 2006) that schools should not sell sugar-sweetened beverages. The ambition of this agreement between beverage companies and Government has been circumvented by some schools, and it is recommended that the Ministry of Education take further steps to ensure schools embrace water-only (and milk) policies. This would align with the food industry supported former National Administration Guideline 5 regarding healthier food and nutrition in schools.

In marketing, the industry has recommended bold steps that particularly focus on children and young people, including expanding the period of television viewing during which advertisements for food high in saturated fat, salt and added sugar and aimed at children are not to be shown (**Recommendation 33**), and restricting fixed-site outdoor advertising (digital, billboard, sandwich board etc) of high saturated fat, salt and added sugar products within 300 metres of the main gate of Primary and Intermediate schools by 30 Jun 2019 (**Recommendation 32**). Setting a defined distance from Primary and Intermediate schools for store branding of high saturated fat, salt and added sugar products is set to be discussed with convenience stores for decision by Dec 2019 (**Recommendation 35**).

Other marketing-related recommendations cover publication of company marketing policies and development of a schools sponsorship policy (**Recommendations 40 to 42 and Attachment B**), best practice in advertising (**Recommendation 34, 37 and 39**) and reporting (**Recommendation 36**), and review of the Food and Beverage Classification System that underpins the Advertising Standards Authority's *Children and Young People's Advertising Code* (**Recommendation 38**).

The report recommends healthy eating options appear on menus and be provided by frontline fast-food staff as part of their training on interacting with customers (**Recommendation 48**). The Report also recommends that supermarkets with multiple checkout lanes provide a confectionery-free checkout lane (**Recommendation 43**).

Some companies have already reported to the Government for the 2017 year in a number of the areas covered by the Taskforce's work through the Government's Healthy Kids Industry Pledge scheme, and these companies and others have prepared 'Report Cards' for this Report that are similar but address the areas covered by the Report (**Appendix A**). In the future, and in addition to reporting in specific areas, the Taskforce is developing a checklist of the recommendations to be undertaken by companies to assist them in self-checking and reporting annually to the Government (**Recommendation 51 and Attachment G**).

## Introduction

1. The Minister of Health (the Hon David Clark) and the Minister for Food Safety (Hon Damien O'Connor) met in March and May 2018 with a wide range of food and beverage companies and associations to discuss industry's role in encouraging consumers to make healthier food choices and in reducing obesity. Ministers proposed the establishment of an industry group that would develop ideas to address obesity from a food and beverage industry perspective. Industry and the Government finalised Terms of Reference in May/June (Attachment A) and the Food Industry Taskforce Addressing Factors that Contribute to Obesity commenced work in July 2018. The New Zealand Food & Grocery Council volunteered to provide the secretariat on behalf of industry and to undertake the coordination role of the five working groups established.
2. The objectives of the Taskforce were to identify food and beverage industry successes (and failures) from the past and present in relation to factors contributing to obesity and their applicability together with others that might be identified for the future; identify what was planned for the future in terms of food and beverage reformulation/ formulation, innovation and other activities; recommend a package of practical initiatives that could contribute to addressing obesity (noting that the food industry is only one element within a broader network of actions and initiatives that are required) and identify with the Government the potential metrics to assess results over time.
3. This report sets out work in five key areas: Food and Beverage Formulation and Innovation; Employee Health and Wellness Programmes; Community and Education Initiatives; Food and Beverage Marketing; Labelling and the rollout of Health Star Rating System. It has been informed by an industry survey across the five areas. The results have then been brought together into a package of practical measures that can be pursued to make a contribution to the broader range of Government initiatives addressing factors contributing to obesity.

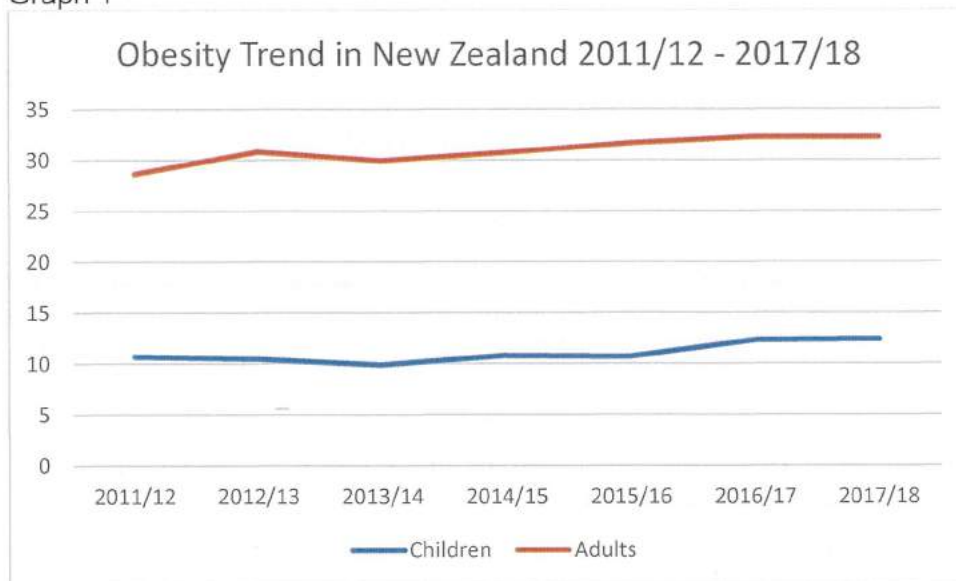
## Background

4. The Food Industry Taskforce comprised members from primary production and processing, manufacturing (food and beverage), quick service (including outlets in fuel stations), food service, hospitality, retail and representatives from several industry associations.
5. The food and beverage industry recognises the global obesity issues and shares concerns about obesity levels in New Zealand. It notes that New Zealand remains high in OECD comparisons on the obesity scale. The latest data on obesity in New Zealand (Ministry of Health, 15 November 2018) describes the following:
  - about 101,000 children aged 2–14 years (12.4%) were obese
  - the child obesity rate has not changed significantly since 2016/17 (when it was 12.0%).
  - Children living in the most socioeconomically deprived neighbourhoods were 2.1 times as likely to be obese as children living in the less deprived neighbourhoods after adjusting for age, sex and ethnic differences
  - about 1.26 million adults (32%) were obese, up from 28.6% in 2011/012.
  - of the adult population, Maori represented 18.8% but 47% were obese, while Pacific Islanders represented 12.8% but 65% were obese.

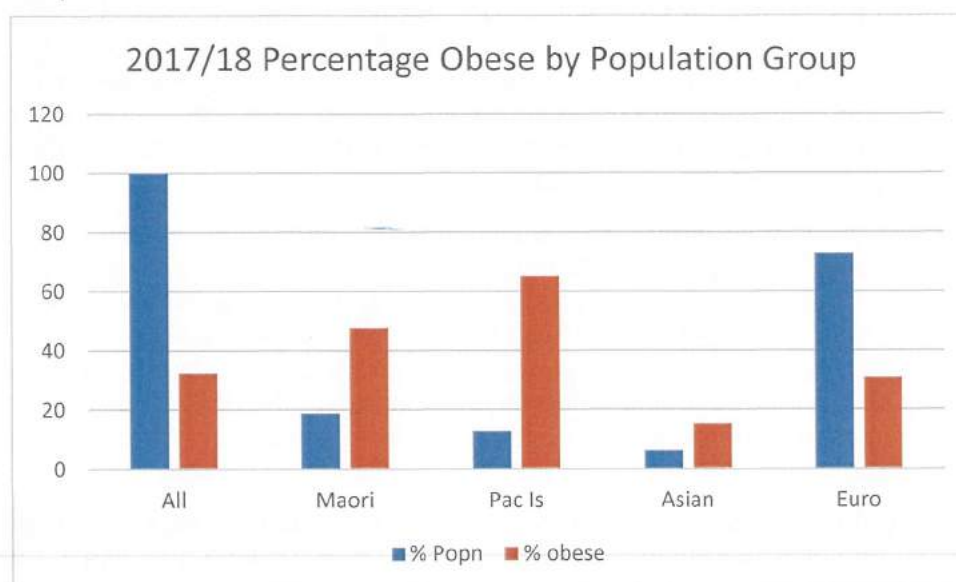


This is set out in the following graphs.

Graph 1



Graph 2



6. The factors contributing to obesity are complex and broad-ranging. This Report does not present arguments for or against particular factors but rather recognises that no single action or 'fix' has delivered a causal reduction in obesity. The Taskforce has adopted a food and beverage industry, multi-pronged approach that has been taken in many countries including New Zealand over the past decade. Such an approach has been favoured to date as the best means of responding to the multi-factorial nature of obesity and its apparent impact by education, literacy, promotion and awareness, activity and sport, cultural influences, economic, demographic, social and environmental issues and individuals' food choices. The interactions amongst these factors are expected to influence how effective the cumulative impact might be.

7. The Taskforce was cognisant of the extensive range of laws, regulations, standards, guidance documents and codes of practice relating to food and health and the work of the Taskforce has had cognisance of these, particularly the Australia New Zealand Food Standards Code shared with Australia and trans-Tasman developments in these and related areas.
8. A strategic approach to obesity for New Zealand is intended to encompass the broader food and non-food industries across the supply chain (processing through to retail/sale to the consumer) and have regard to what action had been successful in the past in New Zealand and overseas.
9. Actions of the past 10-15 years, have included:
  - industry reformulations (these commenced with reductions in saturated fat levels during the 1960s with the advent of margarine) leveraging science, research and consumer preferences to deliver extensive change through to the salt-reduced, stanol enhanced spreads of 2018
  - 5+ a day programme to encourage five or more servings of colourful fresh fruit and vegetables every day. The logo appears on a range of packaged foods. The programme is now a Charitable Trust.
  - the New Zealand Fruit and Vegetable Association Alliance (FAVA) promotion programme that encourages the consumption of fruit and vegetables spanning fresh, frozen and processing sectors.
  - the Heart Foundation salt reduction programme began 11 years ago with the setting of food reduction targets for sodium in bread. This was hugely successful and targets and products in 14 other categories have continued over time. Sodium levels in bread are now 25% lower and children's cereals 33% lower. The programme was expanded to include sugar reduction targets in specific products in 2016. The result has been a substantial reduction of salt in targeted products, and sugar reduction is now being prioritised by a number of food companies.
  - Healthy Eating Healthy Action was a Government programme in 2003-2009 and aimed at changing lifestyles to address non-communicable diseases in lower socioeconomic groups, children young people and their families and whanau, environments, communication and workforce. It was widely embraced by health professionals, communities, industry and a wide range of agencies and, at its height boasted 1254 initiatives being undertaken (Mann et al 2010). It laid a strong foundation for subsequent developments in changing behaviours rather than taking a punitive approach.
  - The signing the world's first Voluntary Schools Agreement in 2006 by Frucor and Coca-Cola Amatil New Zealand with the Ministries of Education and Health to NOT sell sugar-sweetened carbonated soft drinks or energy drinks directly to any primary, intermediate or secondary school. This agreement was part of proactive efforts by both companies to respond to the emerging issue of obesity in New Zealand. In 2017, this agreement was extended to all New Zealand Beverage Council members and was revised so that members agreed to sell only bottled water to primary and intermediate schools (see comment under 'Barriers' in the section on Community and Education Initiatives section).
  - Children's Obesity Plan was launched in October 2015 and has three focus areas made up of 22 initiatives, which were either new or an expansion of existing initiatives. The initiatives were collected under three broad areas: targeted interventions for those who were obese; increased support for those at risk of becoming obese; and broad population approaches to make healthier choices easier for all New Zealanders. The focus remains on food, the environment and being active at each

life stage. The package brought together initiatives across government agencies, the private sector, communities, schools, families and whānau. Several of the initiatives either directly or indirectly involved industry: Health Star Rating promotion, Marketing and Advertising to children and a partnership with industry on a Healthy Kids Industry Pledge. All three areas are potentially transformative, (not 'flashes in the pan') that are challenging to implement but high impact once underway.

- Food and beverage labelling has been a feature of the New Zealand supply for many years but took a major boost with the full implementation of the Australia New Zealand Food Standards Code in 2003 covering mandatory nutrition information panels, ingredients listing and a claims framework (in 2014).
  - The development and implementation of the voluntary Health Star Rating system (in 2015) was also a significant collaboration between governments, academics and industry.
10. A key difference between consumers' experiences in the past 15 years is greater choice of a much wider range of low sugar, fat and sodium products. Global trade, science and nutrition advances, public health recommendations and sophisticated consumers now mean consumers can choose foods to suit their lifestyles and health and nutrition-related goals.
  11. This increase in choice can be seen in the non-alcoholic ready-to-drink beverage sector, where there has been a significant increase in the number of low- and no-sugar products launched in New Zealand over the past decade. Over the past two years, 87% of growth has come from low- and no-sugar beverages, representing 41.9% of sales.
  12. To inform its work, the Taskforce conducted an industry survey in August and October 2018 seeking information and suggestions from companies and associations on practical measures they had taken or could take in the future. The survey had 55 respondents and a further 70 respondents from the Hospitality sector focussed primarily on employee health and wellness.

## Reformulation and Innovation

13. For all food and beverage businesses, providing consumers with safe, quality food is a priority. Reformulation has been, and continues to be, a significant feature of delivering in this priority area, by altering a food or a beverage's composition to improve the product's health profile and through new product development drawing on improved nutrition targets. Such work has been demonstrably shown to contribute an environment of nutritional quality for consumers and deliver an intervention that does not necessarily rely on changing consumer behaviours (Lehmann et al 2017). The food and beverage industry has a key role to play in providing healthier and more nutritious products through product reformulation and new product development.
14. Product reformulation has been underway in New Zealand for over a decade, due in part to manufacturer's and fast food companies' own commitments and targets, to the Heart Foundation 'Tick' programme, and to work commissioned from the Heart Foundation by the Ministry of Health on reduction of salt and, latterly, sugar. The Healthy Eating Healthy Action programme up to 2009 provided a real focus for the food and beverage industry on reformulation that was leveraged by the Heart Foundation. The Heart Foundation's work is based on the premise that 'most of the salt and sugar we eat in New Zealand comes from processed foods' (Heart Foundation 2018). The objective of the Heart Foundation food reformulation programme is to have at least 80% of the market share (by sales volume) within a category meeting the targets. This ensures high-volume foods in each category are prioritised.
15. For industry, sodium and sugar are added to processed foods for flavour, texture, preservation and other processing reasons. Many companies have embarked on product reformulation over many years to reduce these and saturated fat to the greatest extent possible without significantly impacting taste or consumer acceptance. Reducing sugars is particularly technically challenging in many products outside the beverage category and there are practical limitations that may limit progress. As well, an improved food choice and a range of products with lower added sugars may not always equate to foods with a better overall nutrient profile or greater health benefits. Energy density of products may increase if added sugars are replaced with fat, or remain the same if replaced with starch.
16. Individual company and the Heart Foundation work has been supplemented and enhanced over the past 2-3 years due to the impact of the voluntary Health Star Rating (HSR) system. HSR has resulted in an accelerated programme of reformulation and new product development to a nutritional profile that is lower in sugar, saturated fat, sodium and overall energy and higher in protein and fibre.
17. The Food Industry Taskforce targeted reformulation and new product development in order to identify the extent of current practices and to recommend how best to advance these initiatives and how to better facilitate commitment and support. This work considered both negative nutrients and beneficial nutrients.
18. Supermarkets are very much part of this activity, since both the major supermarket chains in New Zealand (Foodstuffs and Countdown) have extensive home brand product ranges and have been reformulating concurrently with other food manufacturers, particularly to reduce sugar.

### ***Nutrition policies and focus on risk nutrients***

19. Having clearly-stated nutrition policies and applying those in the development of new products is beneficial. Companies with written nutrition policies have been shown to score



three times higher than counterparts with verbal nutrition policies in balanced scorecard exercises (Doonan et al 2017). This is, in part, attributed to the reputational risk of failing to deliver publicly declared nutrition commitments. If a company makes public reformulation commitments, it is more likely to deliver on those commitments than companies that have not made public commitments. Providing a public-facing statement of a companies' nutrition policy is a way of showing company intent, providing incentive to deliver on targets/ accountability and an informal accountability mechanism. Nutrition policies generally comprise the desired nutrition attributes of the product range and goals and actions that the food or beverage company commits to. In some cases these policies have been reflected in the pledges made by companies to the Healthy Kids Industry Pledge programme. The key is that they are written and public.

20. For example, in 2017 Heinz Wattie's (Kraft Heinz) made a global commitment to achieve 70% compliance by 2023 to meeting its nutrition guidelines. These are self-imposed stretch targets. In the same vein, Kellogg's launched its Global Breakfast Food Beliefs in 2015 and Global Snacks Food Beliefs in 2016. These Food Beliefs are intended to innovate healthier products. The year 2020 was set as the target for these changes, and Kellogg's has already met its sugar and sodium reduction goals for cereals and sodium reduction goals for snacks. The company is continuing to incorporate positive nutrients and ingredients across its foods and to review its foods for continued improvement. .
21. As a further example, Fonterra has public targets for its New Zealand and global nutrition portfolio relating to dairy nutrition and refined carbohydrates. These targets were first published in its 2017 Sustainability Report. It has assessed all New Zealand dairy nutrition products against these targets, with a view to informing its future reformulation programme.
22. Foodstuffs is committed to steadily improving the nutritional profile of its private label range so that customers can eat more healthily. To this end, it has reformulated hundreds of its private label products. As a good example of a front-facing nutrition policy, this is on its website at <https://www.pams.co.nz>.
23. In 2016 Countdown launched its health and nutrition targets. These were further updated in 2017 as part of the Corporate Responsibility Strategy out to 2020; commitment 20 of this strategy is that we will support and inform our customers to help them make healthier choices. These targets also align with retail industry "Reducing Child Obesity" pledges. The targets are on the website: <https://www.countdown.co.nz/community-environment/countdowns-health-and-nutrition-targets>
24. The New Zealand Beverage Council is working with its members to develop a sugar-reduction pledge. While still under development, this pledge is likely to be similar to a commitment made by the Australian Beverage Council, which has seen signatories in Australia commit to an industry-wide reduction in sugar of 20% by 2025. In developing the Pledge, the New Zealand Beverage Council is committed to ensuring that it will result in a further meaningful reduction in sugar consumption from non-alcoholic beverages. The complexity of this Pledge should not be underestimated and is a significant undertaking by the non-alcoholic beverages sector. In signing the pledge, signatories in New Zealand will be required to make difficult decisions and change many aspects of their business operations. The sector, however, is committed to delivering a Pledge that will help address obesity in New Zealand. Modelling work is currently underway, and the New Zealand Beverage Council expects to be in a position to brief the Government in the new year, ahead of a joint public launch.

25. In the survey conducted by the Taskforce, over a third (37%) of the companies responding had a nutrition policy but a quarter of respondents had it 'public facing'. Links to a range of nutrition policies currently available are at Attachment B. In some cases these are global policies, in other cases they form part of an overall strategy around healthfulness. Examples are:
- Heinz Wattle's (Kraft Heinz) has a fully developed Global Nutrition Policy
  - Kellogg's Global Nutrition Policy and Kellogg Food Beliefs for Breakfast Cereals and Snacks
  - Unilever's Global Nutrition Policy includes strong commitments to improving health and wellbeing
  - Vegetables NZ has a publicly facing strategy document on ensuring the health of all New Zealanders by encouraging greater consumption of fresh NZ grown vegetables.
26. These are all examples which could be held out as best practice to encourage other food companies and organisations to lift their participation.
27. Risk nutrients are generally recognised as sodium, sugar and saturated fat and are considered nutrients of public health concern. As noted above, a focus on these nutrients and on overall energy delivered by products are key components of nutrition policies and commitments. Some best practice examples:
- Nestlé uses its Nestlé Nutritional Profiling system to benchmark products against set criteria. The system assesses a product's nutritional contribution, considering its role in a balanced diet, its ingredients (including saturated fat, sugar, sodium, fibre and wholegrain) and the serving size usually consumed either by adults or children. The company's commitments are also public on increasing whole grains and vegetables.
  - Mondelez International has established energy, saturated fat, trans fat, total sugars, sodium and portion control criteria for new product development and reformulation initiatives. Where possible fibre and wholegrains are also a focus for the company's biscuit portfolio.
  - Kellogg's uses its Global Food Beliefs for Breakfasts and Snacks to guide changes to its food portfolio.
  - Countdown has been involved in the Heart Foundation's wider reformulation work for over 10 years, and the HeartSAFE programme since launching in 2010. Internal targets for Own Brand products are set for sodium, sugar, energy and HSR, along with removing artificial colours, flavours and preservatives (where food safety allows), and removing MSG and trans fats.
  - The beverage sector has been introducing new and low sugar beverages and reformulating to reduce sugar for many years. Over the past year alone, Frucor Suntory has launched NZ Natural Sparkling flavoured waters with no sugar and no artificial ingredients, Pepsi Max Vanilla with no sugar and Amplify Kombucha, which has less than 1g of sugar per 100ml. Frucor Suntory has also reformulated existing products including OVI – reducing sugar by 50 percent so it is now 2.2g of sugar per 100ml and their Oh! soda range, which has between 1g and 2g of sugar per 100ml. Major innovations from Coca-Cola New Zealand include Coca-Cola No Sugar, world-first Coca-Cola Stevia No Sugar, Keri 50% Less Sugar Fruit Drink, Fanta Zero, Powerade Zero, plus reduced sugar reformulations of Fanta Raspberry, Fanta Grape, Sparkling Duet Raspberry and Powerade ION4. New Zealanders have positively responded. For example, almost 50 percent of Coca-Cola trademark sales being no sugar variants.
  - Further, the New Zealand Beverage Council has worked with members to develop a sugar reduction pledge, to be launched in early 2019. With details still being finalised, the industry has agreed in principle to an industry-wide reduction in sugar of 20% by 2025.



28. Some companies are subject to or choose global nutrition guidelines. Some choose those developed or endorsed by other agencies, such as the NZ Nutrition Foundation, that set criteria for nutrients including protein, calcium, and other nutrients as relevant to formats e.g. fibre, magnesium and vitamin C. Others set their own targets:
- Fonterra has recently developed global nutrition guidelines, endorsed by the New Zealand Nutrition Foundation. These provide guidance to help move more of the product portfolio towards using minimum quantities of added sugars, refined carbohydrates, added fats and added salt.
  - Unilever has been working on the nutritional profile of its food and refreshment products sold in New Zealand since the late 1990s. Brands such as Streets Paddle Pop, Continental and Lipton Iced Tea have been made healthier by reducing nutrients of concern like sugar, salt and saturated fat for over a decade. By 2020, Unilever will double the proportion of its portfolio that meets its global nutrition standards which are based on globally recognised dietary guidelines. This involves published time-bound targets for reducing sugar, salt, saturated fat, trans-fat, calories and providing clear nutrition labelling on product labels.
  - Vegetables NZ provides recipes within parameters of choosing food and drinks with unsaturated fats, low in sodium, little or no added sugar and least processed.
  - Kellogg in Australia and New Zealand work to a set of criteria for new products including sugar, sodium, saturated fats and partially hydrogenated oils.
  - Mondelez International has published global well-being targets, and issues progress reports to ensure consumers and stakeholders can track progress against these targets. Focusing on the greatest impact within the product portfolio. Mondelez's three pillars of action are:
    - Expanding 10 existing wellbeing brands in its portfolio, with the goal of growing them at twice the rate of its base portfolio.
    - Renovating and improving the nutrition and ingredient profile of its biggest-selling brands.
    - Continuing to encourage consumers to snack mindfully and planning to deliver 15% of revenue from portion control snacks.
  - Lion created a new division called the [Drinks Collective](#), focused on growing its range of crafted alcohol free, lower sugar beverages and catering to the future of the New Zealand drinks market.
  - McDonald's 'Commitment to Families' addresses nutrients of concern (salt, saturated fat, trans fat, added sugars) specific to Happy Meals and its forward looking goals focus on fruit, vegetables and grains.
  - Frucor has committed that one in every three drinks sold will be low or no sugar by 2030 and that they will also double the size of their low and no sugar portfolio at the same time. Frucor also developed juice dilution guidelines for parents a decade ago for parents who want to give juice to their children as an occasional treat.
  - Coca-Cola NZ introduced Nutrition Guidelines in 2016. They include guidelines of less than 8g of sugar per 100ml (excluding 100% fruit juice) for new beverages.
  - In 2017, Coca-Cola committed to a 10% reduction by 2020 sugar reduction target across its entire portfolio. Today all of its top sellers offer a low or no kilojoule alternative and almost 40% of Coke NZ total sales are low or no sugar.
  - Pepsico has been transitioning to healthier oils across its chips range since 2015. It has also been an active participant in NZ Heart Foundation's reformulation programme since 2014 sodium reduction.
  - Whittaker's has focused on high cocoa content products eg 82% cocoa content which has a lower sugar content than standard 33% creamy milk chocolate. For these products, 19.4g of sugar per 100g compares favourably to standard chocolate which contains 44.7g sugar per 100g.
  - Nestlé has publicly stated commitments on reduction of sodium, sugars, saturated and trans fats, as well as increasing micronutrient fortification where appropriate.

- Heinz Wattie's has had a sodium reduction programme in place since 2005, and various company guidelines for levels of sugar, saturated fat, protein, fibre and the percentage of fruit and vegetable in its products, where relevant to a product category. Internal targets for sodium and sugar are based on the Heart Foundation industry guidelines as applicable.
29. Driving increased development and publication of food and beverage nutrition policies and commitments should be a key outcome of the Food Industry Taskforce.

### ***Nutrition Advice***

30. The role of dietitians and nutritionists and the nutrition advice they provide for the food and beverage industry has been shown to impact on formulation/reformulation, new product development, identifying evidence to support claims, regulatory advice around allergens, labelling, composition and compliance and nutrition strategies and policies. Many larger companies employ dietitians or nutritionists for their guidance and expertise in developing healthier products.
31. Dietitians and nutritionists influence/advise their marketing teams on advertising from a nutrition/health point of view in addition to regulatory provisions. Increasingly, such advice is not a 'nice to have' option but rather a 'must have' element of a successful and appropriate food manufacturing operation. In this context, the Taskforce survey identified that almost half the responding companies (48%) employ or gain expertise from registered dietitians or nutritionists. More access to expert nutrition advice could be a helpful in improving the food supply. Sanitarium is one company that offers and promotes free nutrition advice to New Zealand consumers.

### ***Action on risk nutrients***

32. Policies and commitments have to translate into action. In New Zealand this has been demonstrated by individual company targets and through participation in the Heart Foundation's work with food companies to set voluntary targets to reduce the amount of sodium, and more recently sugar, in key food categories including breads, breakfast cereals, processed meats, savoury pies, soups, cheese, snacks, sauces, spreads, crackers, canned baked beans and spaghetti and dairy foods. To date the programme has resulted in a significant annual removal of salt from the above key categories (Heart Foundation 2018). This does not include reductions in other categories undertaken by companies. However, by focusing on products and manufacturers where the greatest impact can be achieved (products having at least 80% of the market share by sales volume to meet the targets) prioritisation can target high-volume foods in each category. The level of salt removal in New Zealand places us at the forefront in comparison with the efforts of other countries (World Cancer Research Fund, 2018).
33. Actions on risk nutrients must be acceptable to the consumer and, for this reason, small, incremental changes over time have often proved more successful than 'big bang' actions. To assess the importance of consumer acceptability, the survey canvassed products that had not succeeded. 31% of companies said they had examples where sodium, saturated fat or sugar was reduced but the products were unsuccessful in the market.
34. Reformulation often presents serious technical challenges, eg Fonterra tried in the past to formulate a salt-reduced block of cheese, and a salt-reduced spread. This was technically very demanding without the use of other preservatives. Salt has a key food safety, taste, and preservative effect, and despite best intentions these projects were eventually abandoned. It may be difficult in some cases to assess whether unsuccessful products can be attributed to reformulation or other reasons.



35. It should also be noted that sugar and salt reductions are very costly activities to undertake. Some products developed with the aspiration of providing healthier options for consumers can be roundly rejected for many reasons. For example shelf life may decrease, and food safety compromised unless additional preservatives are used. Sugar reduced foods may have altered taste resulting in reduced consumer acceptance. This may also affect nutrient rich foods such as breakfast cereals and yoghurts. Sugar reformulation is likely to increase the use of non-nutritive sweeteners in the marketplace and reduced added sugars products may be more expensive for consumers, due to product development costs. Unsuccessful products subject to risk nutrient reductions are set out in the following:

#### Consumer barriers

- 25% less fat mozzarella cheese in pizzas was not popular with consumers
- Frucor's range of flavoured waters, although sugar reduced, did not attract consumers until the sugar was eliminated. However, by 2030, a third of the entire Frucor range will be low- or no-sugar.
- A product with 30% less sugar compared to the standard product did not sell
- In 2016 and 2017, Nestlé had examples of where sodium and sugar reduction in soups and baked beans were tested at levels beyond which were acceptable for consumers. Consumers felt taste was compromised for health. The result of this meant smaller reduction steps being taken. The unsuccessful products included a beverage (less sugar), a milk beverage (less sugar and fat, added iron and iodine), lollies (less sugar), and quick oats (no added sugar).
- Reduction of sugar in carbonated beverages initially saw a reduction in sales, but sales recovered over time.
- Introduced reduced fat cheese into the NZ market which was rejected by customers
- Cereals with reduced sugar have in the past been rejected by consumers
- Oven grilled chicken instead of fried
- Several companies in the United Kingdom that reformulated to significantly reduce sugar content ahead of the introduction of the UK Soft Drinks Industry Levy faced significant consumer backlash and major drops in sales as consumers reacted negatively to the change in taste and formula. Affected brands included Ribena, Lucozade and Irn-Bru.

#### Technical barriers

- Sugar in everyday yoghurts reduced by 25% in 2017 demonstrating that reduction targets for added sugar need to be balanced against the overall flavour profile of the products.
- Some reduction projects for historical products for which reformulations did not progress to commercialisation due to significant changes in eat and flavour delivery
- Cakes using stevia alone instead of sugar did not work

36. Reformulations are not conducted without research, product testing, consideration of food safety impacts (such as the preservation qualities of salt in preserved meat and sugar in jams) and consumer testing. Targets are increasingly challenging in an environment where considerable reformulation has already been undertaken. This is not only reflected in external targets as might be set by the Heart Foundation but also company commitments. The most successful reformulations in New Zealand to date have been ones that have been done slowly and incrementally so that taste differences cannot be detected. This approach has worked extremely well in the breakfast and bread categories over the past 10 years.
37. The Health Star Rating system has impacted on the nutritional profile of foods, such that a sample of products (431) found a small but statistically significant change in mean energy (-29kJ/100g) and sodium (-47 mg/100g) from Nutrtrack (data on mandatory nutrition information panels) between 2014 and 2016 (Ni Mhurchu et al 2017). It is significant that

New Zealand joined the HSR system after Australia and there was a lag between joining and New Zealand companies implementing the system, as evidenced by the following trend in uptake (provided by MPI, October 2018):

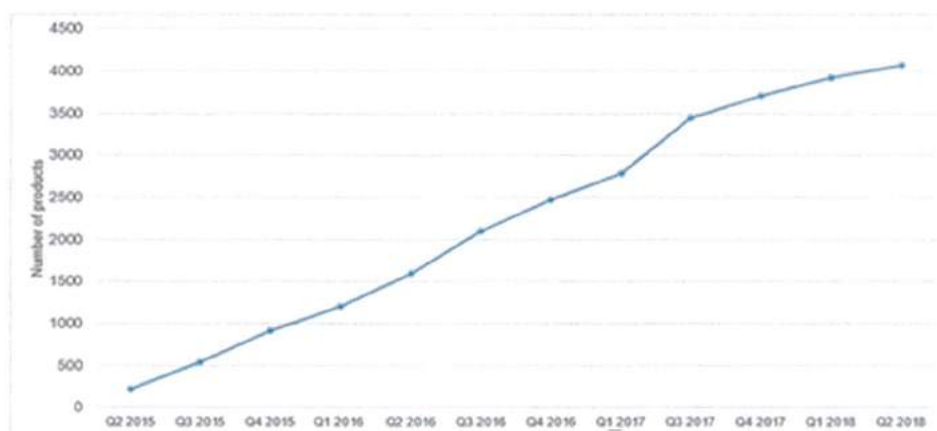


Figure 1: Total Industry Health Star Rating Quarterly Uptake Figures

38. Ni Murchu's results would be expected to be more significant if undertaken over the period 2016-2018.
39. When responding to questions relating to products reformulated, for many companies, their entire range is or has been reviewed for nutrition parameters with the process being ongoing. A selection of verbatim company's statements from the survey about products subject to reformulation review includes:
- Our entire branded range
  - Our core product range
  - Total portfolio
  - We are getting on with reformulating more of our product range to reduce sugar without affecting the taste
  - All our company products have been reviewed. We have actively made changes to remove all "artificial ingredients" and manage to NPSC score >3. This included removal of salt and assessment of protein and fibre
  - A whole range of products in a company have been reformulated, but with a specific recent focus on carbonated beverages and bread
  - For another company, a whole range of products have been reformulated to reduce sugar, sodium and saturated fat over the past few years.
40. The breadth of products subject to reformulation by companies overlaps with the categories of products that the Heart Foundation has set reformulation targets and were described by those surveyed by the Taskforce as:
- Bread, soups, small goods (eg pepperoni) and processed meat, oil spreads, cheese, breakfast cereals including quick sachet oats, cooking sauces, muesli bars, condiments, chips and potato crisps, savoury crackers, spaghetti, baked beans, yoghurts, flavoured milks, infant formulas, supplementary foods, side dishes, frozen meals, dips, dressings, food mix, noodles and noodle cups, desserts, calorie reduced and portion controlled ice cream, cocoa in confectionary, reduced trans-fat chocolate, confectionary generally, low GI sugar, reduced calorie sugar and sweeteners, portion controlled sugar sticks and cubes and pizzas (Domino's introduced 75% fresh vegetables including fresh spinach and kalamata olives to the menu, reduced fat by 20% and sodium by 25% in its classic and deep pan crusts and reduced fat by 48% and sodium by 34% in its thin'n'crispy crust).

### Beverages

- As noted earlier in this section, the New Zealand Beverage Council has agreed in principle to an industry-wide reduction in sugar of 20% by 2025. With details still being finalised, the industry intends to launch the pledge in early 2019.
  - Unilever adds that prior to 2010 it had already reduced sugar levels in its ready-to-drink teas. This was followed by a 12% sugar reduction across all Unilever sweetened tea-based beverages in 2016 since 2010. By 2020 Unilever will have removed an additional 25% sugar in ready-to-drink teas.
41. Many countries have taken steps around reformulation targets (UK, USA, South Africa, EC, Canada and Mexico). Over the past two years, Australia, under the umbrella of the Healthy Food Partnership (a partnership comprising the Government, industry, public health established to address obesity, encourage healthy eating and empower food manufacturers to make positive changes) has worked to produce reformulation draft targets that have included modelling outcomes (Healthy Food Partnership 2018). This work has been predicated on consumption data from the national nutrition survey conducted in 2011-2012 (ABS 2014). Using the nutrition data, the Healthy Food Partnership has derived draft targets for sodium, sugar and saturate fat in categories found to contribute the highest amount of these nutrients in the population.
42. The categories identified by the Australian Healthy Food Partnership are bread (leavened and flat), breakfast cereal, cheese (cheddar and processed), crumbed and battered proteins (seafood/meat/poultry), flavoured milk (mammalian and dairy alternatives), gravies and sauces (including pesto, Asian style and other savoury sauces), muesli bars, pizza, processed meat (including ham, bacon and deli meat), ready meals, sausages, savoury biscuits (plain savoury, soda, plain corn, rice, other, flavoured crackers/cakes), pastries (wet), savoury snacks (potato, salt and vinegar, extruded, corn, veggie, grain and other), beverages (soft drinks, energy drinks, flavoured water, mineral water, soda water, iced tea), soups, cakes muffins and slices and sweetened yoghurt.
43. A comparison of the Australian Healthy Food Partnership draft targets and the New Zealand Heart Foundation targets shows that there are several categories which overlap with some targets aligned, while in other areas there are slight differences. It is possible that New Zealand could consider adopting targets set by the Australian Healthy Food Partnership that are not captured by the Heart Foundation. For example:
- In categories where Healthy Food Partnership and Heart Foundation have aligned targets, increase industry uptake >80% of market by sales volume engagement
  - In categories where both Healthy Food Partnership and Heart Foundation have targets but they are not aligned, manufacturers commit to either. When timeframes lapse with the Heart Foundation targets, industry work with the Heart Foundation and the Government with the aim of aligning targets to Healthy Food Partnership
  - In categories where only the Heart Foundation has targets, increase industry uptake >80% market by sales volume engagement
  - In categories where only the Healthy Food Partnership has targets, industry works with the Heart Foundation and the Government with the aim of setting targets that match those of the Healthy Food Partnership.
44. The Healthy Food Partnership targets are underpinned by Australian survey data based on the consumption patterns of the Australian consumer, but the Food Industry Taskforce supports proceeding with adopting the Australian-developed targets (rather than delaying the process) and supporting and recommending that New Zealand update its nutrition survey data as soon as possible.

### **Beneficial nutrients**

45. Another reformulation activity undertaken by the food and beverage industry has been to increase beneficial nutrients, thereby changing the nutrition profile of products so that they deliver consumer benefit.
46. The Taskforce survey identified beneficial nutrients as including: fibre, wholegrains, serve of fruit or vegetables, and calcium. Other beneficial nutrients identified by companies surveyed included: increased protein, vitamin C, other vitamins as fortificants, nuts and seeds and magnesium.
47. Products impacted by the addition of beneficial nutrients included:
  - Cheese, white milk, yoghurt, growing up milk powder and flavoured milk with increased protein and calcium
  - Extensive range of juice and juice drink brands which contain good sources of vitamin C
  - Canned/pouched tuna
  - Breakfast cereal products with increased wholegrain content
  - Soups, cake lines, raw salad promotions
  - Cakes, breakfast and lunch and cabinet items on our cafe menus
  - Bread including for increased fibre
  - Crackers, bars
  - Frozen meals, frozen vegetables, infant and toddler meals and legume range
  - Breakfast cereal products with increased fibre and wholegrain content
  - Cereal bar, noodles.

### **Serve size and portion guidance**

48. The Australian Healthy Food Partnership included a group specially focused on guidance on portions. Through a review of the scientific literature, and government and policy documents, the working group identified four key terms currently used often interchangeably amongst both health care professionals, researchers and the food industry namely serving size, serve size, portion size and portion control (Healthy Food Partnership 2018).
49. The terminology was defined as:
 

Serve: This term should be used when referring to standardised amount of food or drink as identified in the Dietary Guidelines

Serving: This term should be used when describing the amount of food provided by a manufacturer, company, restaurateur or cook/host.

Portion: This term should be used when educating people about how much they should select or choose at one occasion (meal or snack).
50. The Australian Healthy Food Partnership recommended a range of communication and educational strategies to address portion guidance including the development of an industry best practice guide to ensure consistency. The recommendations and actions also included a focus on better awareness, better choices, and the development of voluntary goals for sizes of servings of key discretionary (high saturated fat, salt and added sugar) foods and beverages building on existing resources and recognising that a range is likely to be the most appropriate strategy (Healthy Food Partnership 2018).
51. The Australian Healthy Food Partnership concluded that serving size was an important strategy for the Partnership, "one size would not fit all", monitoring and evaluation was

important to demonstrate progress overtime, and the work should be embedded into the broader Partnership implementation.

52. The Food Industry Taskforce agrees that serving size should be considered a key area of focus going forward. Work has already been conducted in New Zealand in this area by the Ministry of Health and the New Zealand Beverage Council. The Council has agreed on standard serving sizes. Another area of portion guidance across Australia and New Zealand is the Be Treatwise® programme, which covers portion guidance for treat foods such as sweets and chocolate. The New Zealand Food & Grocery Council has recently become responsible for the application of the Be Treatwise® programme in New Zealand and is working with the Confectionery Group within the Australian Industry Group to align and revitalise application in New Zealand.
53. The New Zealand beverage industry publicly committed to giving people more choice to control sugar consumption by providing and promoting a range of small packs and more convenient pack sizes. The smaller packs are providing popular with Coke NZ's 250ml can sales growing 40% over the past two years.
54. In terms of awareness programmes, messaging about healthier sizes of portions may not engage community so messages need to focus on issues that do engage such as value for money, budget, waste, weight management and health. This should form the basis of a government and industry communications strategy going forward.
55. Providing healthier choices would be an outcome from product reformulation to meet targets set jointly by industry, the Government and the Heart Foundation, and drawing on the Australian Healthy Food Partnership targets. Developing an industry best-practice guide or adapting the Australian guide for New Zealand could assist companies, particularly in the SME area, with implementing appropriate serving size for products, appropriate portion education, and the way to communicate this to consumers. New Zealand should review, adopt and implement, as appropriate, other successful strategies applied by the Australian Healthy Food Partnership.

### ***Recommendations on Reformulation and Innovation***

56. Reformulation and parameters around new product development creates an environment of nutritional quality for consumers and delivers an intervention that does not necessarily rely on changing consumer behaviours. By targeting reformulation and new product development, the Food Industry Taskforce has identified the extent of current practices and some of the factors necessary for successfully delivering processed food and beverage with an improved nutritional profile. The Taskforce also wanted to identify how best to advance reformulation initiatives beyond those currently in place and how to better facilitate commitment and support across the industry.
57. Driving increased development and publication of food and beverage nutrition policies and commitments should be a key outcome of the Food Industry Taskforce.

**Recommendation 1:** Nutrition policies and guidelines should be public facing for food and beverage companies including food manufacturers, brand owners and fast food service interests with more than 10 outlets by 1 June 2019.

**Recommendation 2:** Industry associations work together to develop a nutrition policy template for SMEs, to use in the future, by June 2019 and informed by government/NGO positions.

58. It is possible that New Zealand could consider adopting a similar set of voluntary risk nutrient reduction targets as has been developed by Australia. While the underpinning Australian survey data is based on the consumption patterns of the Australian consumer, delaying the process for New Zealand until we have updated nutrition survey data is not favoured. While there are known demographic differences, in the meantime it may be the best proxy information New Zealand policy makers have access to – a poor reflection on New Zealand's available information, but the current reality. Even if the Government agreed today to undertake the next children's or adults' National Nutrition Survey, results would not be available until 2022, some 20 years after the previous New Zealand Children's National Nutrition Survey. Even so, in every sphere of food and beverage activity, including this current activity of addressing factors contributing to obesity, the National Nutrition Surveys have vital roles to play:

- the basis of standards set by Food Standards Australia New Zealand for labelling and composition in New Zealand
- necessary for food supply contaminant and toxicity work for risk and impact assessment
- used in the conduct of the Total Diet Survey (reach into community of potential contaminants and information on key vitamins and minerals)
- benchmark for consumption of foods contributing added sugar, saturated fat and sodium to the diet.

**Recommendation 3:** The Government to proceed immediately to initiate a Children's National Nutrition survey to update the 2002 survey. While consideration might be given to phasing and segmenting the survey to spread cost over time, immediacy of commencement is vital for reasons set out in the foregoing discussion.

**Recommendation 4:** The Government to schedule the conduct of an Adult National Nutrition Survey as soon as possible to update the 2008 survey for all the reasons set out in the foregoing discussion.

59. The Food Industry Taskforce considers it important to recognise that reformulation of foods and beverages has limits because of:

- technical complexities
- preservation and other functional purposes of some nutrients
- consumer acceptability
- behavioural lead times in changing the palate of a nation
- short time frames set for reformulation of foods which limit ability to change food over time and re-calibrate consumer palates to accept the changed food.

60. Working within these constraints, the Food Industry Taskforce proposes work be undertaken on a broad range of reformulation targets.

**Recommendation 5:** The Government (lead), with the Heart Foundation and industry, agree, where possible and appropriate, to adopting the same voluntary nutrient reformulation targets identified by the Australian Healthy Food Partnership in categories that align with the New Zealand Heart Foundation Targets. Work on this should commence in early 2019 and targets agreed by mid-2019. Progress should be reported by December 2021. The measure would reflect the percentage of target product by sales volume active in the reformulation to meet the targets.

**Recommendation 6:** Where targets identified by the Australian Healthy Food Partnership are in categories that do not align, consideration be given as to whether, and how best, these might be adopted. This should be conducted in parallel with Recommendation 1, with the Government (lead), the Heart Foundation,



industry and other expert groups reviewing the full completed list of Australian Healthy Food Partnership targets during 2019 to identify additional targets that could commence in New Zealand in 2020 and be reported on two years after commencement. The measure would reflect the percentage of target product by sales volume active in the reformulation to meet the targets.

**Recommendation 7:** To further accelerate the reduction of sugar New Zealanders consume from beverages the New Zealand Beverage Council finalises its all-new sugar reduction pledge (20% by 2025) and launches it in the first quarter of 2019.

**Recommendation 8:** Following the completion of each phase of the Children's National Nutrition Survey, the Government, the Heart Foundation and industry to review the categories and associated targets to identify any adjustments appropriate for the New Zealand population.

61. In the area of portion guidance and serving size defined terms, the Healthy Food Partnership recommended a range of communication and educational strategies for consumers, voluntary goals for key discretionary foods and drinks and an industry best practice guide. This focused on better awareness, better choices, voluntary goals for serving sizes and industry best practice. These are equally applicable in New Zealand and depending on timing of completion of the Australian developments, the following recommendations are made.

**Recommendation 9:** The Government and industry to agree on the definitions of 'serve', 'serving', and 'portion', based on the Australian Healthy Food Partnership work in this area by March 2019. The measure is agreement by the Government and industry.

62. The Food Industry Taskforce considers that serving size should be a key area of focus going forward taking into account work underway or completed in New Zealand and Australia. In terms of awareness programmes, messaging about healthier sizes of portions used in any awareness campaign may not engage or target at risk communities so messages would need to focus on issues that do engage such as value for money, budget, waste, weight management and health. This should form the basis of a government/industry communications strategy going forward.

**Recommendation 10:** The Government and industry establish principles to apply for determining serving size by mid-2019 in line with the Australian Healthy Food Partnership work (had been expected December 2018). The measure is agreement on principles by the Government and industry.

**Recommendation 11:** Once principles for determining serving size are established, the Government and industry develop and identify implementation strategies to adopt an awareness campaign on portion guidance and serving size by December 2019. The measure is an action programme of strategies, and level of awareness achieved over current awareness.

**Recommendation 12:** The Government and industry develop and adopt voluntary principles and serving-size ranges (including for fast and snack foods) and establish a pledge programme for uptake by December 2019, subject to review after a three-year period of application. The measure is extent of pledges by industry.

**Recommendation 13:** Once principles for determining serving size are established, industry develops a best-practice guide for serving size and portion guidance in line with the Australian Healthy Food Partnership. This should provide guidance and support to food companies to

incorporate nutrition as a key driver in labelling decisions regarding the size of servings and the size of food and drinks offered. This could be part of wider guidance from the Australian Healthy Food Partnership. Areas for guidance, relating to serving size and portion size, include:

- Adopting consistent terminology
- Off-pack labelling information
- Voluntary goals relating to serving size
- Promoting appropriate portion sizes
- Serving control devices in product presentation
- Advice about serving size in consumer communication material.

**Recommendation 14:** The New Zealand Food & Grocery Council and the confectionery industry identify strategies to further promote uptake of the Be Treatwise® programme in New Zealand and raise awareness across consumers. The measure is an action programme of strategies, and level of awareness achieved over current awareness.



## Employee Health and Wellness Programmes

63. Organisations that commit to achieving the best for their employees and customers in terms of nutrition, health and wellness will outperform others over the long term. In doing so, they set themselves apart as not just good companies but enduring great companies. The job is never done. While the journey has been underway for some for many decades, it needs to ramp up and be continually revitalised to take New Zealand healthily into the 2020s.
64. New Zealand company health and wellness programmes have the ability to reach a significant proportion of the population. Across the food and beverage industry, this could mean close to half a million people. This is why company programmes align well with a number of existing national programmes such as Healthy Families New Zealand (<https://www.healthyfamilies.govt.nz/in-my-workplace/>), the Health Promotion Agency's Workplace wellbeing website, <https://wellplace.nz/> and 5+ A Day (<http://www.5aday.co.nz/workplace/workplace-wellness/>).
65. Focusing on employee health and wellness not only presents the opportunity to address factors contributing to obesity and overall health and wellbeing but also increases productivity and reduces the impost on the health system. All companies have a stake in health and wellness and the vast majority start their health and wellness programmes 'at home' by implementing employee health and wellness programmes.

### Benefit for employees in Health and Wellness Programmes

66. For employees, maintaining their health is often seen as a difficult challenge amidst competing demands of the work day, family responsibility, and other social commitments. However, combining the adoption of healthy behaviours within the work day helps with the healthfulness of the employed population and can reduce the prospect of communicable and non-communicable diseases and their associated costs. It also improves the everyday quality of life (AJ Grande et al 2015). Some elements of health and wellness programmes may not seem to contribute but, for example, flexible work arrangements can accommodate breaks for exercise (WHO 2010). Large employers can have a significant impact on the workforce (Nestlé 2017) but companies of any size as shown by NZFGC surveys can also have a broad range of programmes (NZFGC 2015).
67. Programmes such as have been launched by Ministry of Health and Healthy Families called Good4Work (<https://www.good4work.nz/>), are aimed at small- to medium-size businesses just getting started in workplace wellbeing and provide tools for such businesses. Good4Work was developed by the Health Promotion Agency in collaboration with a number of other national health agencies in New Zealand, and is intended to embed positive practices into the workplace and provide the 'place to start'. It draws on the most up-to-date workplace wellbeing knowledge and experience in New Zealand and internationally.
68. Participation in health promotion activities through a workplace health programme allows individuals to develop knowledge, self-management, and coping skills as well as build a social support network among co-workers, supervisors, and family. Employees often see a health and wellness programme as a reflection of how much the company cares about its employees, which may impact job satisfaction and morale.
69. The New Zealand food and beverage industry has a long history of investment in supporting health and wellness, recognising that it has a key role to play in promoting healthy lifestyles and addressing factors that contribute to obesity. This is in addition to, and goes beyond, the provision of healthy foods, and reformulation to improve nutrient

profiles of foods, to direct investment in employee's environment, education and activity initiatives.

70. The Food Industry Taskforce makes the following key points:

- The food and beverage industry, broadly defined, reaches over 400,000 New Zealanders and potentially their families.
- Companies are strongly supportive of their employees through a range of health & wellness programmes many addressing directly the factors contributing to obesity.
- Size of company is no indicator of extent of programmes
- Programmes reflect the expected as well as the inventive that supportive companies working with employees can generate.

71. 75% companies surveyed by the Taskforce have health and wellbeing programmes. The full list of programmes is at Attachment C. The top five components of the programmes were:

- Flexible work hours 80%
- Influenza vaccinations 66%
- Employee assistance 57%
- Provision of free fruit and vegetables 55%
- Wellness challenge 50%

72. As noted above, flexible work hours provides for accommodating employee health related activities. The provision of free fruit and vegetables in over half the companies contributes directly to the avoidance of unhealthy snacking and health and wellbeing checks can lead to individual health management programmes for employees to follow.

### ***Innovation in Employee Health and Wellness Programmes***

73. Increasingly, online wellbeing hubs are being established by companies that provide resources for employees that help with social connection, mental health and physical vitality. Some of the more innovative elements in health and wellness programmes in New Zealand food and beverage companies are:

- Walking meetings
- Individual health support programmes
- Employee-led wellness initiatives eg meditation sessions
- EQi Leader Profiles
- Resilience workshops (Fiesta – annual all-staff event)
- Introduction of a 'mental health day' for staff who just need to take a breather from work
- Literacy support
- Bike racks to encourage employees biking to work and Bike Club
- LionFlex – award winning flexible work policy
- KFlex – flexible work place programme including mental health days and flexible work arrangements
- Nutrition training for new employees
- Community days
- Healthy living expos for staff that include Cervical Screening bus, skin checks etc
- Better U Wellbeing Hub – a centralised interactive communication and engagement platform to deliver info and generate personal dashboards.

74. The Taskforce survey showed that 66% of programmes had been evaluated in the past 12 months and 41% said there had been a culture or behavioural change as a result of the programmes offered that had been evaluated.

75. Other initiatives highlighted are listed at Attachment D. They include social media developments, health and wellness app for employees, targeted nutrition education sessions, regular health checks, healthy staff meals and well-balanced dishes in the staff restaurant, access to wellbeing support and healthy lifestyle advice, supporting activities such as Round the Bays run and Healthy Active Kids bring-your-kids-to-work days, individual health support plans to support weight reduction, centralised interactive communication and engagement platform that informs employees of all wellbeing programmes and initiatives happening across the business.

### ***Barriers to Health and Wellness Programmes***

76. Evaluation of health and wellness programmes can assist in better identifying what is working and what is not. These programmes can be outsourced to groups such as the Sanitarium Vitality works group, which would design measurable programmes based on research that could address some of the barriers the Taskforce survey identified:
- Cost and time – for employees and the employer
  - Attendance – getting people engaged in the programmes provided and ensuring it's not the same people participating in all the activities, not all staff choose to avail themselves of programmes offered
  - Encouraging employees in their personal endeavours for physical activity.
  - Logistics generally
  - Employee Diversity
    - community setting and culture, engagement of blue collar workers
    - Shift work – Access to healthy food for shift workers, Shift work and fatigue
    - Access to physical exercise for sedentary workers
    - Multi-site challenges - Options are altered for relevancy at each site location across NZ (employees working remotely may not have access to all offers available on specific sites)

### ***Plans for Health and Wellness programmes***

77. Companies surveyed by the Taskforce reported a variety of plans, including:
- strategy and technical plans to address targeted needs – three-year plan
  - team meets monthly to review H&W programme and ensure there is communication around initiatives and so there is maximum participation.
  - more regular speaker sessions and programmes e.g. sleep and mindfulness
  - providing free fresh fruit to staff on a regular basis and increasing healthy eating programmes
  - continuing with volunteering programmes
  - participating in "Eat my Lunch"
  - discounted gym membership
78. Companies surveyed by the Taskforce also made several comments about the issues involved in addressing factors contributing to obesity in the workplace:
- Obesity in the workplace can affect morale, daily work, sick leave, productivity and have impacts far reaching into individuals' personal lives. Education programmes in the work place, having fresh fruit, water available to all staff every day is a commitment from one company to its staff. Its mission - One Planet, One Health – is to bring health through food to as many people as possible.
  - A greater focus on frontline employees is needed to recognise the barriers associated with this such as shift work.
  - People sitting for long times at their desks is a particular problem area but some companies have standing desks available and actively promote them to decrease the amount of time people are sedentary though the day.

### ***Recommendations for Employee Health and Wellness Programmes***

79. The food and beverage industry has a long history of investment in supporting health and wellness and all companies have a stake in health and wellness. There are direct benefits to the employee (eg gym membership) and indirect benefits (improved fitness from walking meetings) as well as benefits to the employer (eg reduced absenteeism, increased commitment and loyalty and increased productivity). Elements that address factors that contribute to obesity go beyond the provision of healthy foods.
80. Focusing on employee health and wellness presents the opportunity to reach a broad group in the population and address factors that contribute to obesity. Acknowledgement from the Government might recognise the value that companies can add to the health and wellbeing of the workforce in the food and beverage sector and increase support and collaboration in this area. The Food Industry Taskforce makes the following recommendations:

**Recommendation 15:** Industry to increase sharing and promoting health and wellness programme best practice by increasing the presence on their websites of steps they are taking and initiatives underway. Benchmark to be assessed from current websites of top 20 major manufacturers by category volume and reassessed in December 2020.

**Recommendation 16:** Industry and the Government to further promote company and government tools on health and wellness for smaller companies to draw on. The Government to assist this process by 'pushing' ideas and successful programmes out to food and beverage companies they contact. This could be measured by reach and frequency of communication. The measure to be a continuation and amplification of the Government's programme supplemented by an assessment of industry communication.

**Recommendation 17:** Industry and the Government to recognise and promote innovative programmes that address to factors contributing to obesity through direct and indirect communication channels. The measure to be reach and frequency of communication over two years to December 2020.

**Recommendation 18:** Industry associations to identify initiatives to increase uptake/ penetration of offered health and wellness programmes within companies. The benchmark to be nominated by industry associations and reassessed by survey in 2020.

**Recommendation 19:** Industry associations to develop a 'Small but Beautiful' minimalist health and wellness programme for companies with 0-10 employees operating in the food and beverage industry in collaboration with the Health Promotion Agency and/or Ministries of Health and Primary Industries by December 2019. This programme to be rolled out to other industries if successful.

## ***Community and Education Initiatives***

81. The food and beverage sector undertakes an impressive range of work directly in communities and schools to further education and activity around healthy eating and support exercise activities. This engagement is both directly through delivery programmes and indirectly through partnership with other agencies. Greater focus on communities in low socioeconomic areas would increase the positive impact since health and obesity metrics identify these areas as the most prevalent for obesity. Some 80% of companies involved in the survey conducted by the Taskforce are involved in community and education initiatives. The initiatives range from providing website information to partnering with non-government agencies to undertake or assist with this work.
82. Involvement in the community fabric and school environment is a mix of branded and unbranded support intended to contribute to the overall health and wellbeing of communities. The intention is to deliver a positive impact and leverage industry skills, knowledge and resources to help people live healthier. They reach an estimated 900,000 New Zealanders annually.
83. Companies that are involved in the community are demonstrating commitment for which there are benefits in both directions, a shared value (Porter 2011) for the community in initiating or implementing their plans or expanding their efforts and for companies, in workforce satisfaction, team building, morale and exposure to potential customers (Treuren et al 2011). Kindig (2013) states that no single sector is responsible for health improvement, and company involvement can increase the scope, impact and outcomes of community efforts. There is strong evidence that employees of companies conducting community activities are prouder of and more committed to their employers (Bath), affecting team member morale, spirit, pride, increased employee engagement and satisfaction for the company. Collective action by sectors delivers a multiplier effect.
84. Nonetheless, it is important for the community to be at the forefront and companies supporting. This has been the approach of the Government's Healthy Families NZ programme. While industry has been very keen to partner and support these efforts, it has been by invitation and few invitations have been made (only two are known in one of the 10 high-focus regions).
85. The social responsibilities of companies are sometimes set out in public statements and undertaken by staff for the positive conscience it delivers. For example, New Zealand Beverage Council members have committed to only-sell bottled water directly to primary and intermediate schools, and to not sell sugar-sweetened carbonated soft drinks nor energy drinks in secondary schools. Council members have further agreed to not undertake any commercial advertising in any primary, intermediate or secondary school in New Zealand.

### ***Industry, children, young persons and the education sector***

86. While many programmes are across the population, a quarter are developed for schools and school children, and over 40% are designed to reach particular ethnic or socioeconomic population groups. Targeting children and young people is intended to make an intergenerational impact to significantly reduce obesity in the population in the long term.
87. The Ministry of Education recognises the importance of Healthy Lifestyles and Nutrition for school children and has dedicated several pages on its website to this, including guidelines for school food programmes, food and nutrition snapshots and case studies,



food and nutrition for healthy, confident kids, and links to nutrition websites including five commercial resource sources (<http://health.tki.org.nz/Key-collections/Healthy-lifestyles>).

88. Countdown's Free Fruit for Kids initiative was launched 2 years ago in stores has given away over 5 million pieces of fruit during this period. Countdown's research found that the fruit gets children excited about fruit, and for some it's the only fruit they will have that day or even that week.
89. Industry is actively involved in providing healthy eating and nutrition education and resources in schools. Nestlé's partnering with AUT Millennium, the NZ Nutrition Foundation, and School Kit to provide the Healthy Active Kids Nutrition education programme in schools is a good example. The programme is designed for teachers in partnership with teachers at School Kit and aims to improve nutrition and health knowledge and promote physical activity amongst school aged children.
90. Breakfast is often described as the most important meal of the day, providing sustenance and energy for activities that lie ahead. Ensuring children start the day satiated is the key objective of the Fonterra and Sanitarium KickStart Breakfast, complemented by the Fonterra Milk for Schools.
91. Keeping children satiated during school is also important. Another example of Foodstuffs 'social impact' investment is its partnership with Eat My Lunch. This will allow Eat My Lunch to expand its operations and achieve a target of 25,000 free lunches daily for children in need.
92. Research shows that children who eat home-cooked meals more frequently are less likely to be overweight (Berge et al 2015). Teaching children to cook is therefore a skill that will have lifelong benefits. Several industry programmes are conducted on this theme:
93. Vegetables NZ and The Heart Foundation have developed 'The Cooking Curriculum Project' to work with teachers to develop resources for children to learn to cook a healthy meal. This consultative project 'for teachers by teachers' will enable children to gain the life skill of being able to prepare vegetables and cook healthy meals. As of August 2018, a Year 8 Unit Plan with lessons and including cultural and activities and resources has been developed. These are available for teachers to download and use. The Year 7 material is currently being developed.
94. For over 6 years, the Nestlé Cook for Life, Ka Tunu Ka Ora, programme has been teaching youth (aged 13 – 19) nutrition knowledge, capability and confidence in a hands-on interactive session about cooking and healthy food choices. These classes are fun, informative and motivational, and recipes use common affordable ingredients, including plenty of vegetables. Students learn to make healthy, tasty, easy and affordable meals together and are able to take home recipes and cooking skills to share with their wider whanau and community.
95. The Foodstuffs Food for Thought education for Year 5 and 6 primary school students teach the students to make healthier food and lifestyle choices. Foodstuffs research shows children who have been through the programme over the past 10 years have reduced their families' sugar intake by more than 50 tonnes.
96. The learning environment is also impactful and the global Outdoor classroom day aimed at getting as many children as possible playing and learning outside is supported in New Zealand. When teachers take learning outdoors they report some powerful impacts:

Children's behaviour improves, whole classes are excited to learn, and individuals who feel inhibited by the curriculum often thrive in an outdoor environment.

97. Schools activity, sports days and sport sponsorships at national and local level are widely supported by industry, with the Anchor AIMS games just one example. This is a strategic partnership between Sport Bay of Plenty, the four Western Bay Intermediate Schools, and the Tauranga City Council. It links with various local sporting clubs and regional and national sporting organisations.
98. For young people there is also Preparation for Life (Food Safety/Work Ready courses for Youthline Students) and Females in Science, Technology, Engineering, and Mathematics (STEM).
99. A key consideration industry is hearing is that school resources concerning food and nutrition, in particular, are not only at saturation point but there are also factors such as maintaining materials (updating, reflecting current approaches etc); meeting the school curriculum and supporting teachers. Many of the above programmes have addressed these issues but more general guidance on the best way to achieve this would be helpful as would a liaison point in the Ministry of Health and Ministry of Education.
100. New Zealand Beverage Council and New Zealand Food & Grocery Council members have committed to sell only bottled water directly to primary and intermediate schools, and to not sell sugar-sweetened carbonated soft drinks in secondary schools. There has been an issue of other wholesaling firms selling members products to schools. This is a compliance issue that can be solved only by the Government, the Ministry of Education or, failing other intervention, the Boards of Trustees at schools. New Zealand Beverage Council members have further agreed to not undertake any commercial advertising in any primary, intermediate or secondary school in New Zealand.
101. The Government published revised Eating and Activity Guidelines for adults in 2015. Industry statements could be enhanced and potentially have reference through greater promotion by the Government of the Eating and Activity Guidelines. The Guidelines are excellent, but they sit on a website and more can be done by the Ministry of Health, the Health Promotion Agency, District Health Boards or health professionals to make the Guidelines a living document.
102. The food and beverage industry is keen to share successes and promote the scaling up of programmes that bring communities together and that help inspire healthier communities. In doing so, the industry can share in genuine community/industry leadership and offer an opportunity for positive change.

### ***Reach of Programmes***

103. In successive Health Surveys, the Ministry of Health reports a growing disparity between the prevalence of obesity in Māori and Pacific Island peoples and persons of European or Asian descent. Māori adults were more than one-and-a-half times as likely to be obese as non-Māori adults (Obese, 15+ years, percent, 2013/14 Māori 44.7%, non-Māori 24.7%) (MoH 2015). The latest data, presented in Background to this Report, confirms this trend and shows Pacific Island peoples are at even higher risk with 65% of its population group reported as obese.
104. As well, the Ministry reports that "Children living in the most socioeconomically deprived neighbourhoods were 2.5 times as likely to be obese as children living in the least deprived neighbourhoods, after adjusting for age, sex and ethnic differences." (MoH 2018)

105. While many community programmes involving companies are across population groups, over 40% of the programmes identified by companies surveyed by the Taskforce are designed to reach particular ethnic or socioeconomic population groups and a quarter of the programmes are targeted at schools.
106. A key consideration we are now hearing is that school resources concerning food in particular, are at saturation point. There are also factors such as maintaining materials (updating, reflecting current approaches etc), meeting the school curriculum and supporting teachers.
107. Other programmes identified by the Taskforce survey not covered above include:
- Schools activity, sports days and sport sponsorships at national and local level
  - Newsletter for customers on nutrition related matters, New Zealand Fruit and Vegetable Alliance (NZFAVA), Food in a Minute healthy recipes, Food Safety/Work Ready courses for Youthline Students, Plunket Partnership, Careline team of Nutritionists for parents, Fonterra Grass Roots Fund, , education centre including a baking school.
  - Cans for Good donations, Feeding people in need through provision of food to Auckland City Mission, Micronutrient Campaign partners with Rise Against Hunger
  - Females in Science, Technology, Engineering, and Mathematics (STEM), Work Inspiration Program (The Smith Family)
- A full list of programmes is at [Attachment E](#). Specific summaries of a selected company programmes are at [Attachment F](#).
108. Only 18% of companies surveyed undertook no community activity.
109. While many programmes are across the population, a quarter are developed for schools, and over 40% are designed to reach particular ethnic or socioeconomic population groups. Other programmes developed for groups either within or outside schools involve offering to be an assessor, teaching food preparation and cooking, information on plant-based diets, babies and toddlers, other population groups (Nestlé South Auckland Cook for Life programme), nutrition education focused on school type (primary) and decile rating (lower), and school curriculum resource material around farming.

### **Website education**

110. As at 30 June 2017, Statistics NZ reported that New Zealand had 3.8 million mobile phones with active internet connections (Statistics New Zealand, 2017). This was up 11% from the same time in 2016. It has also reported that mobile phone internet usage increased 104% from June 2016, to 6,453,000 gigabytes in June 2017. This is around 1,700 megabytes for each mobile phone connection, compared with 900 megabytes in June 2016. By 2018, New Zealand has been forecast to have 90% smartphone and 78% tablet ownership (Frost & Sullivan 2013). Mainstream activities include mobile media, social networking, online shopping, video and music access. Shopping is a key smartphone activity. In such an environment, using websites (and social media) to communicate health messages makes good sense. Some 50% of companies surveyed by the Taskforce had undertaken education via their website. This included:
- Nutrition advice consumer service (21%)
  - Healthy eating resources (33%)
  - Meal preparation and cooking (40%)
  - Sponsorship of NGO initiatives (31%)
  - Gardens for fresh produce (14%)
  - Physical activity programmes (33%).



111. Countdown continues to roll out nutrition product information to its online shopping website to help customers make more informed choices. Currently more than 10,000 products have nutrition information.

### ***Future Plans***

112. Some 36% of respondents planned to broaden their community and education programmes and 28% were expanding partnering and collaboration. Many were continuing or embarking on applying the Health Star Rating system and continuing to drive initiatives already in place, such as the Fonterra Milk for Schools, Fonterra Grass Roots Fund, KickStart Breakfast and AIMS games.

### ***Collaborating on education and community activities***

113. Collaboration is recognised as delivering greater benefits and broader programmes. Some examples of the food and beverage industry collaborations drawn from the Taskforce survey include:
- 43% of companies join with schools in programmes such as Outdoor Classroom Day, a global programme to get as many children as possible playing and learning outside. When teachers take learning outdoors they report some powerful impacts: children's behaviour improves, whole classes are excited to learn, and individuals who feel inhibited by the curriculum often thrive in an outdoor environment.
  - 38% of companies join with community groups such as Youthline, Salvation Army, Plunket, Heart Foundation, Graeme Dingle Foundation and AIMS games collaborates with 349 community groups to support local community programmes
  - 29% of companies join with sports groups such as junior rugby
  - 19% of companies join with local councils on programmes.
114. One example is Nestlé's involvement in a number of past and ongoing community initiatives partnering with different groups such as Fresh Ed, Westfield Shopping Malls, Primary, Intermediate and High Schools, AUT Millennium NZ, NZ Nutrition Foundation, School Kit and Massey University Dietetics Programme.
115. Another is Foodstuffs 'social impact' investment in a partnership with Eat My Lunch described above.
116. Other collaborations include central government (eg Ministry of Social Development, Ministry of Education) and NZ Nutrition Foundation.

### ***Costs of education and community programmes***

117. Many companies consider costs invested in education and community programmes as confidential/commercially sensitive information. Of those open to share, the total was \$19.7m, with individual company investments ranging from less than \$1000 to \$10m. This included some capital cost from 2017-18. Time was also a cost in such programmes.

### ***Evaluation and measurement***

118. Some 28% of companies were planning to evaluate their programmes but another 28% had researched findings about the impact of community and education initiatives. Only four companies made research publicly available:  
<https://www.fonterramilkforschools.com/news/aut-study/>  
[http://www.massey.ac.nz/massey/about-massey/news/article.cfm?mnarticle\\_uuid=CF1DA31F-00E2-07F3-72C0-C760AC5F1EA6](http://www.massey.ac.nz/massey/about-massey/news/article.cfm?mnarticle_uuid=CF1DA31F-00E2-07F3-72C0-C760AC5F1EA6)

### **Barriers**

119. Very few barriers were identified for starting programmes but of those noted, 13% of companies surveyed considered cost as a barrier, while others identified the schools' curriculum, energy, and lack of time for the relationship building and community engagement necessary.
120. For scaling up programmes, the biggest barrier was cost, cited by 40% of companies surveyed followed closely by organisational resourcing (39%).
121. A significant barrier exists, however, with the New Zealand Beverage Council's "water-only" policy. It is important that schools are healthy environments for children, which is why it is important to fulfil the aspiration of the Voluntary Schools Agreement (announced in 2006) that schools should not sell sugar-sweetened beverages. The ambition of this agreement between beverage companies and Government has been circumvented by some schools, and it is recommended that the Ministry of Education take further steps to ensure schools embrace water-only (and milk) policies.
122. While New Zealand Beverage Council members have committed to selling only bottled water to primary and intermediate schools, the Council has no ability to prevent schools from purchasing its members products from third-parties, therefore undermining the policy. The Council seeks support from the Government to encourage schools to adopt the water-only (and milk) policy. The position aligns with the former National Administration Guideline 5, widely supported by the food industry, regarding healthier food and nutrition in schools and which stated 'where food and beverages are sold on schools' premises, to make only healthy options available'.

### **Success of community and education initiatives**

123. The vast majority of programmes started or conducted are successful. Only 5% of companies surveyed said results showed programmes did not succeed as expected. An example was a company that wanted to support education material in schools but found schools had so much already in their curriculum that the area was saturated and no more could be taken. The overhead to maintain the material was also deemed to be significant and, for one company, was found to have been already provided by another party.

### **Recommendations for Community and Education Initiatives**

124. No single sector can be singularly responsible for health improvement, and company involvement can increase the scope, impact and outcomes of community efforts. There are benefits for communities, companies and the Government in collaboration resulting in shared value.

**Recommendation 20:** Companies are encouraged to continue programmes, especially those that have been demonstrably successful at improving the health and wellbeing of the community.

125. The key barrier with initiating or expanding community programmes is cost and time.

**Recommendation 21:** Companies to expand community programmes where feasible or develop ways to join with other companies, associations, communities and other Government initiatives to expand.

**Recommendation 22:** Industry and the Government to promote (with associations) templates of community programmes (that set out description, resourcing, ideas for implementation and aspects to particularly consider) to increase uptake by more companies.

126. Schools are under pressure and there is a saturation of materials available to schools in the area of health and nutrition. In order to better direct food and beverage company involvement, there needs to be better liaison between central government and industry. Even with well-targeted programmes and resources, there is also a challenge in encouraging schools to take these up since schools are run by Boards not the Ministry of Education.

**Recommendation 23:** The Ministries of Health and Education establish industry liaison positions as points of contact for the food and beverage industry to facilitate ongoing engagement on community and education initiatives.

**Recommendations 24:** Ministries of Health and Education and industry develop Guiding Principles for developing school resources.

**Recommendation 25:** The Government works with schools to encourage them to adopt a water-only policy that supports the pledge made by New Zealand Beverage Council members to only supply bottled water to primary and intermediate schools.

**Recommendation 26:** Specific to the 'The Cooking Curriculum Project' developed by Vegetables NZ and The Heart Foundation:

- By 2020, 80 % of teachers of the cooking curriculum are using the resources and tools to teach year 7 and 8 students to cook a meal
- By 2021, 80% of students at the end of year 8 are able to cook a healthy meal.

127. The prevalence of obesity is higher in low socioeconomic areas that are potentially the areas adjacent to low decile schools.

**Recommendation 27:** Companies are encouraged to prioritise/develop programmes or content relevant and accessible to 'at risk' populations such as in low decile school areas (if not already doing so, and as appropriate) in order to reach low socioeconomic communities.

128. The prevalence of obesity is higher for Maori and Pacific Islanders than people of European or Asian descent.

**Recommendation 28:** Companies encouraged to prioritise/develop culturally relevant programmes to Maori and Pacific as appropriate.

129. NGOs undertake key roles in the community to address obesity. Company support of such organisations and agencies contributes to efforts to address obesity such as for Youthline.

**Recommendation 29:** Industry to develop strategies to increase the number of companies supporting NGOs in areas affecting obesity such as through partnering or social responsibility investment.

**Recommendation 30:** Associations to develop strategies to increase the number of companies educating consumers online through their company websites.

**Recommendation 31:** Where initiatives are evaluated, companies form summaries which are made public in order to show the level of impact and as a means of encouraging others to undertake similar programmes.



## Food and Beverage Marketing

130. Advertising of food and beverages in New Zealand is subject to both regulatory and non-regulatory controls. The regulatory requirements are contained in Food, Commerce and Fair Trading legislation. The non-regulatory provisions are administered by the ASA through a suite of ASA Advertising Codes which apply to all advertising in all media in this country.
131. The Taskforce is aware of the work of the Independent Panel chaired by the Hon. Sir Bruce Robertson, former Court of Appeal Judge, in reviewing the Advertising Standards Authority (ASA) Codes relevant to children in 2016. This resulted in the new *Children's and Young People's Advertising Code* (hereafter referred to as the ASA Code) which came into effect in October 2017.
132. The Taskforce Report does not intend to restate the many issues raised in the 92 submissions to the Independent Panel (noting that many went to matters other than advertising and marketing), but rather to consider the driver for the ASA review and the resultant changes to the Codes and to describe what is being done as a result and what more could be done.

### ASA and Review of Codes

133. The ASA decision to review the codes aimed at children was undertaken "in a climate of increased concern at the growing levels of obesity ... and claims that advertising played an increasingly strong role in the rising consumption of unhealthy food and beverages." (ASA Code's Review Panel, 2016). The review also formed part of the 2015 Government Childhood Obesity Plan. The suite of ASA Advertising Codes cover all advertising in all media, and all major media companies are members of the ASA. As a result of the review, the ASA Code was rewritten to strengthen and update provisions. The key changes made (relevant to food and beverage) include:
- no advertising of high saturated fat, salt and added sugar food and beverage products (including sponsorship advertising) to target children under 14
  - expanding the ASA Code to cover advertising to young people aged 14 to 18 years
  - clarifying the definition of 'targeting children' – including product advertised, words, imagery and placement
  - inclusion of an interim nutrient profiling system to clearly define high saturated fat, salt and added sugar food and beverages
  - inclusion of restrictions on sponsorship advertising to young people.
  - application to all advertisements in all media including all digital/social media.
134. This resulted in changes to the approach taken, both in terms of creative message and media placement (such as limiting advertising during peak children's viewing times on television) and making it clear that all communication channels were covered, including digital and digital advertising including websites and social media platforms.

Companies surveyed by the Food Industry Taskforce stated the following as actions highlighted in response to the new ASA Code and the type of liaison they have with media agencies. In many cases it represents different expressions of similar approaches:

- Requiring the media agency to be aware of and adhere to the ASA Codes especially the ASA Code.
- Placement by media agencies has to be in accordance with ASA codes and company policy eg if a programme has more than 25% of kids viewing under 18 company does not advertise in that programme for some foods.



- All creatives for one company using children in relation to products being used and placement of advertising must be aligned with ASA Code.
- All agencies for one company undergo 'marketing to children' training which covers company policies and external codes.
- Some companies ensure they and agencies do not advertise in children's programmes.
- Some companies do not feature young people in their marketing as a part of their media policy.
- Media placement is provided to some contracting companies to review.
- Reviews are in place with media agencies to ensure channel strategy limits any potential exposure.
- Some agencies are required to report back regularly.
- Some companies provide internal compliance training (including with agencies)
- Content reviewed internally by some Legal and Nutrition teams, and ASA if required
- External advice is sought by some companies on any advertising campaign to ensure exposure to children is limited and aligned with the ASA Codes.
- "Kid meals" were not offered by a company surveyed.
- One company stated that children were not incentivised to purchase products (such as toys) and it did not align with brands that marketed towards children e.g. Disney, Pixar.
- Another company said that selling toys as incentives ceased 5 years ago.
- An agency was instructed not to advertise within 100m of schools.
- One company advised its media agencies on appropriate placement and age targeting to ensure compliance to the ASA Code.

### ***Compliance with ASA Codes***

135. All the major media companies are members of the ASA, providing strong support for compliance with the ASA Code. This ensures that if a complaint to the ASA Complaints Board is upheld, that advertisement is immediately withdrawn from all media platforms in New Zealand.
136. In terms of compliance, before the commencement of the new ASA Code, the ASA conducting training attended by over 400 advertisers, agency and media representatives. Following commencement, the ASA has run further workshops and training on request for over 150 more company representatives.
137. Food and beverage advertising has not been a significant source of complaint. For example, in 2017, the ASA received 603 formal complaints. Of the complaints of substance that went to the Board, just 21 (3.5%) concerned food or beverage companies. Of these, 13 were upheld or settled (the advertisements were removed or changed) and 8 were not upheld (ASA 2017).
138. The introduction of the new Code has not seen a material lift in complaints. As at 6 November 2018, of the complaints of substance that went to the Board, 20 concerned food or beverage companies. Of these, 8 were upheld or settled and 12 were not upheld (ASA 2018).
139. Eight of the 14 complaints received under the ASA Code since it came into effect in October 2017 were about food and beverage products. Two of these complaints were upheld and the advertisements were removed. Advertising to children, however, remains



a very small proportion of complaints to the ASA as has been the case over the last 20 years.

140. The best approach to compliance is to avoid complaints and enforcement action in the first place by providing training and tools for system users at the outset of the advertising process. To this end, the ASA ran and continues to run, training sessions for advertisers and their agencies on the ASA Code drawing on decision interpretations over time.
141. At the time of implementation of the new ASA Code, an independent approval service was established. The Children's Advertising Pre-vetting Service or CAPS, is based on the longstanding Therapeutic Advertising Pre-vetting Service or TAPS, and is a user-pays service available to the food and beverage industry to provide advice on the form, content and placement of advertising and marketing.
142. Encouraging uptake of the service could further strengthen compliance with the ASA Code. The Taskforce therefore considered the option of encouraging advertisements likely to have high attraction/appeal to children to undergo CAPS pre-vetting to ensure maximum compliance particularly where internal compliance assessment may not be available.
143. In July 2018, the ASA launched a new Adhelp Information Service. This is for anyone in the advertising industry who wants detailed information about a Code interpretation, precedent decisions and the legal framework that applies to advertising and is accessed on the ASA website (<http://www.asa.co.nz/adhelp/>). This draws on the ASA's considerable body of knowledge about standards in advertising. It's a user-pays service aimed at contributing to the ASA vision of 'Every Ad a Responsible Ad' and works alongside CAPS.
144. With the range of tools and training available, another option considered by the Taskforce was that industry work with the ASA to develop best practice for companies to ensure understanding of and compliance with the ASA Code. This might lead to a 'certification' programme for companies and could involve a range of requirements such as having advertising policies in place, participation in training by the ASA, and the inclusion of advertising and marketing in company induction programmes along the lines of many other certification activities in other industries. The ASA website could maintain a list of "certified" companies.
145. The ASA was established to set standards for responsible advertising. Currently, compliance is tested by complaints from consumers and the ASA does not undertake investigations. Pro-actively looking for possible breaches is restricted by resourcing, and at the time of the ASA Code review it was considered that a strong pre-vetting system would be of more value than trying to put the genie back in the bottle once a campaign was in the public arena. A pre-vetting approach, such as the media agreeing not to run ads that did not have a pre-vetting number or been subject alternative internal pre-vetting, could be worthy of consideration. ASA Code compliance prior to publication or broadcast via pre-approval is considered the best way to ensure advertisers support the ASA Code rather than a post-publication monitoring process.
146. The Taskforce considered monitoring and reporting of compliance with the advertising Codes. However, increasingly best-practice self-regulation around the world includes a reporting mechanism, conducted independently. Therefore, instead of the level of compliance with the ASA Codes relying on an analysis of the ASA complaints process, the Taskforce considered the prospect of an annual review of company compliance with the ASA Code be undertaken by an independent agency. Funding is a key issue in consideration to date.

### ***Changing media***

147. All media are going through a transformative stage as consumers of all ages adapt to an online, always on, digital media landscape at the expense of linear television and print media.
148. For example, average television viewing levels for 5-14 year olds has halved from 2011 to 2018. This pattern in viewing occurs both in the 5pm to 9pm timezone, and averaged across all day viewing. For 15-18 year olds, the decline is even greater, with average audiences in 2018 38% below 2011 (6am to midnight average), and in the 5pm to 9pm timezone down 38%.
149. As a consequence, children and young people are seeing significantly less advertising of products including those high in saturated fat, added sugar and salt on television. For example, for the 'fast food category', there has been a 59% drop in exposure of such products on television by 5-14 year olds and a 44% drop for 5-14 year olds since 2011. This compares to a 16% reduction in exposure to TV ads for the category for all people 5+ years since 2011. Clearly there is not a correlation between exposure to TV advertising and obesity trends.
150. Nonetheless, in terms of voluntary restrictions on advertising on television, the Taskforce recommends considering extending the band of afternoon viewing restrictions to 6pm when news programming leads to a substantial drop-off in young audiences. Further work with broadcasters is necessary to determine such an extension.
151. At the same time the genre of magazines targeting children and/or young people has largely disappeared from the marketplace, making specific rules for this media largely irrelevant.
152. Young people are instead choosing online media choices. These platforms, including social, video and gaming, by their very nature, with a high degree of audience data, enable advertisers to responsibly avoid targeting children and young people, as required by the ASA Code.
153. The transition of out-of-home advertising to digital formats, purchased programmatically, enables greater control of where, and importantly when, many advertisements appear in public spaces, enabling voluntary restrictions to be in place around, for example, the hours that children typically travel to and from schools.
154. The Taskforce took account of the particular attention placed on the near-school environment in relation to advertising and considered a range of additional voluntary constraints:
  - setting a distance of 300 metres within which food and beverages high in saturated fat, salt and added sugar would not be advertised (digital, billboard, sandwich Board etc) around primary schools and intermediate schools (that is, addressing exposure to children under 14 years)
  - setting limitations for digital out-of-home advertising for such products for school transport hours such as from 8am to 9am and 3pm to 4pm
  - establishing an industry standard for product branding on convenience stores within a defined distance from schools.This last consideration is continuing.

### ***Nutrition profiling for the ASA Code***

155. The ASA Code currently draws on the Food and Beverage Classification System as the basis for applying certain aspects of the Code. The Classification System was



developed for the New Zealand school sector to help schools choose food and beverages for students that better aligned with the dietary guidelines in New Zealand. In its current form it does not cover the breadth of food and beverages in the food supply that might be subject to advertising. As well, unlike the Health Star Rating system, the Classification System focuses on negative nutrients only, taking no account of the overall nutrient profile of the food.

156. Application of the Food and Beverage Classification System to the ASA Code was an interim measure by the ASA, noting that for nutrient profiling to be the most effective in any given application it needs to be specific to an objective and an environment. For this reason, profiling systems developed for one purpose may not readily transfer or work for different environments or for different purposes. The ASA has acknowledged that the Classification System may not be a fit-for-purpose food and beverage profiling system for advertising, and is in the early stages of a review to consider the ongoing appropriateness of the Classification System for application to the advertising Codes. The Taskforce is very supportive of such a review.

### ***Company advertising policy***

157. As with nutrition, having a written publicly available policy on advertising that refers to the control environment (mandatory and voluntary) is an important expression of a company's commitment to ensuring responsible marketing and advertising. An advertising/marketing policy can be compared to a business code of ethics. Each addresses aspects of responsible marketing the business considers most important. For example, one company's marketing policy might focus on nutrition guidelines and guidelines for marketing to children, while another company's marketing policy might include guidelines for the different marketing channels it uses.
158. In general, such policies are intended to ensure that the company's advertising and marketing portrays the company in a positive and consistent manner, are aligned with the company's strategic objectives, are factually accurate, and meet legal and regulatory requirements. Having them public-facing is also a statement about the company's willingness to be accountable to the public.
159. Almost 70% of companies surveyed by the Taskforce, have a policy on advertising to ensure compliance with the ASA Codes generally as well as the ASA Code in particular, but only a third of these are public facing. These (often covering marketing as well) include:
- <http://www.restaurantbrands.co.nz/corporate-info/corporate-responsibility/>
  - <http://www.pepsico.com.au/pdf/MarketingtoChildrenPolicy2018.pdf>
  - [https://www.unilever.com/Images/unilevers-principles-on-responsible-food-and-beverage-marketing-july-2017\\_tcm244-424772\\_en.pdf](https://www.unilever.com/Images/unilevers-principles-on-responsible-food-and-beverage-marketing-july-2017_tcm244-424772_en.pdf)
  - <https://www.afgc.org.au/our-expertise/health-nutrition-and-scientific-affairs/advertising-to-children/> While this is published in Australia and is the Mondelez International commitment in Australia, it applies to the company in New Zealand
  - <http://www.foodstuffs.co.nz/corporate-responsibility/foodstuffs-pledge-to-promote-healthier-eating/marketing-#32> activities
  - <http://www.coca-colajourney.co.nz/our-actions-in-the-marketplace>
  - <http://www.nestle.com/asset-library/documents/library/documents/corporate-social-responsibility/nestle-marketing-communication-children-policy.pdf>
  - Countdown Responsible Advertising Policy was launched in June 2017  
<https://www.countdown.co.nz/about-us/our-policies/advertising-policy>
  - Countdown endeavours to include fresh food options on the cover pages (front or back) of the weekly Countdown mailer.



160. To ensure exposure to children and young people meets the new ASA Code provisions (reduced exposure) and aligns with company policy, companies can take any number of steps and actions, including through training, contractual expectations, policy decisions, media previews and placement reviews and reporting.
161. The Taskforce considered the targeting of advertising and the control of placement online on the more 'one-to-one' channels such as 'age gate' checks and policies across the industry for all digital mediums especially social media. The Taskforce proposed that identifying best practice by companies in this area would not only encourage brand safety but would also assist companies to best control online placement while simultaneously reducing the exposure of advertising to children and young people.
162. In terms of checking media placement by companies, 75% of companies said they undertook checks. They added:
- Checks are made via the agency.
  - Many companies check media placement through internal audit systems.
  - For some companies, all media placement is reviewed and approved by the company prior to publication.
  - One company reviews media spot lists, brand safety black lists and online media schedules.
  - Another company conducts post campaign reviews, spot checks during campaigns by company staff.
  - One company states there are implications for the agency if they do not follow guidelines. It is monitored by a third party and the agency is 'pulled up' if there is an infringement.
  - Media placement is required to meet contractual arrangements.
  - Media placement strategy is confirmed prior to booking to ensure there are no potential issues. Brand and communications teams approve all spot lists to ensure compliance.
  - One company reviews spot list of television ads.
  - For television, one company's process is to brief the media agency and the agency formulates its media plan which the company signs off. All content that the agency schedules is signed off internally by the contracting company, so the agency only ever uses content that is approved and supplied by the company.
  - One company receives a monthly report to show all spots for the company's television commercial was played in and what programme.
  - For one company, periodic checks only are made, while another company reviews placement on a case-by-case basis to ensure compliance to ASA Codes, particularly in instances when product may appeal to children.

### ***Additional industry comments***

163. Media companies have taken initiatives on advertising food and beverage to children and young people through their own outdoor minimum advertising distance from schools and working within Commercial Approvals Bureau rules in relation to advertising to children. The Bureau is responsible for approving and classifying all television advertisements on behalf of New Zealand's television industry. Without Commercial Approvals Bureau approval, a commercial cannot be broadcast in New Zealand.
164. In terms of the process for the Commercial Approvals Bureau approval, the Bureau requires additional information and documentation to approve commercials for certain types of products, and for food and beverage products "advertisers need to supply their product's nutritional details if they want to target children under 13 years old. We [the Commercial Approvals Bureau] strongly recommend that these details are provided before the commercial is produced or the media is booked" (CAB 2018). Broadly

speaking, to achieve a CF (Children's Food) rating, the featured product must meet the minimum standards to be recognised as an 'everyday or sometimes' food under the Food and Beverage Classification System

165. Even with a 'CF' rating allocated by the Commercial Approvals Bureau, additional requirements are in place:

- there is no advertising in pre-school television programming
- advertising in school-age television programming is limited to 10 minutes per hour, no endorsement, promotion or selling of products or services within the associated programme, and no advertisement may be played more than twice within an hour per channel or more than three times during a specific programme which is longer than an hour

Companies have made the following additional comments concerning marketing:

Domino's says it does not, and will never, market to children. Nor does it feature children in its advertising, whether it be broadcast or non-broadcast as part of its media policy. This includes the use of marketing techniques that appeal to children such as games and toys. This is a core driver of Domino's brand values.

Fonterra has 7 Pledges as part of the Healthy Kids Industry Pledges. These are published on its website: <https://www.fonterra.com/nz/en/what-we-stand-for/nutrition/healthy-kids-pledge.html>. The fifth pledge reads "Our advertising will always comply with the Advertising Standards Authority *Children and Young People's Advertising Code* in New Zealand". Fonterra's advertising material (content and placement) is assessed by its Nutrition and Regulatory team to ensure compliance to the Code.

Kellogg's has an internal sign-off process for all advertising, sponsorship and packaging materials. As part of this process, all advertising and labels are subject to a rigorous internal review and sign-off process and must comply with all relevant regulations in New Zealand. Kellogg's also has defined Worldwide Marketing Guidelines that have been in place since 2006 which all advertising and marketing must comply with.

Heinz Wattie's marketing and agencies attend regular ASA training to ensure all are aware of the company's obligations under the advertising codes. All advertising and labels are subject to a rigorous internal review and a sign-off process. It requires its advertising agency to comply with placement requirements (Adshells and Buses) to ensure they meet expectations around schools. Heinz Wattie's recognises the importance and the superiority of breast milk in feeding infants and young children. Outlined in its company policy is its worldwide charter of practice for marketing of breast milk substitutes. Locally, it is a member of the Infant Nutrition Council and adheres to the INC Code of Practice for the Marketing of Infant Formula in New Zealand.

New Zealand Beverage Council members are required to abide by the *Children's and Young People's Advertising Code*, *Code for Advertising Food* and the *Advertising Code of Ethics*. Beverage Council members have also committed to not undertake any commercial advertising in any primary, intermediate or secondary school in New Zealand. This means Beverage Council members do not advertise in media that directly targets children under-14 or where 25% or more of the expected audience will be children under-14. Further, members will not design advertising that significantly appeals to children under-14.

Coca-Cola in New Zealand and Australia have an internal weekly review and approval committee comprised of senior staff across the functions of legal, public affairs, marketing and science and regulation. The committee ensures compliance with the Advertising Standards Codes and other policies and regulations.



Coca-Cola's global *Responsible Marketing to Children Policy* in New Zealand and Australia stipulates that no commercial (paid for) outdoor material or billboards for its sparkling drinks will be placed within 300m of schools (primary or secondary), child clinics, playgrounds and skateparks and 150m for other non-alcoholic beverages.

Lion New Zealand is committed to promoting its products responsibly, has robust internal 'responsible marketing' codes in place, and adheres to strong self-regulatory codes (ASA) that cover all marketing from TV to social media and sponsorship. Within its codes, Lion New Zealand ensures that its marketing follows the highest standard of social responsibility, promotes a positive environments and is directed at adult audiences.

McDonald's has an extensive and evolving responsible marketing policy which is to be added to its corporate website. It does not use celebrities/heroes of the young to promote food, and is changing elements of its junior football collaboration such as player of the day certificate/voucher. McDonald's has stopped advertising Happy Meals on day-time TV, has undertaken an extensive overhaul of digital media buying, conducts a risk assessment of all its 'out of home' advertising sites and restaurants with regards to schools, and has made changes to its radio placements to avoid school drop-off/pick-up times

All Nestlé's advertising and promotional activity goes through a review process against both the Advertising Code and its own policy to ensure it's compliant. The policy specifically covers marketing communication using television, radio, print, cinema, outdoor/places where children gather, digital media (digisphere), mobile, games, consumer relationship marketing, viral marketing, apps, e-mail/SMS, Nestlé-owned websites, movie tie-ins, promotions, premiums, contests, product sponsorships, sampling, and point of sale. It also considers activities in primary schools. It has restricted the times it shows advertisements for products that do not meet nutrition criteria, and ensures the content is not directed to children. It has implemented the EU Pledge globally as nutrition criteria to assess products that are 'healthier' for the purposes of advertising.

All Mondelez International marketing campaigns and material that could appeal to children or young people is reviewed by subject-matter experts within the business. This review considers the requirements under the ASA Code, the company's commitment under the Australian Food and Grocery Council's Responsible Children's Marketing Initiative, and the company's comprehensive global internal Marketing to Children policy. Mondelez regularly sends material to the CAPS Adjudicator for final review before proceeding with promotional and advertising activity.

### Company Marketing Policies

166. Some 10% of companies surveyed by the Food Industry Taskforce have a company policy on marketing activity outside 'advertising' that is not captured by the ASA Codes.
167. For those marketing infant formula and members of the Infant Nutrition Council, they must meet the requirements of the (soon to be republished) *INC Code of Practice for the Marketing of Infant Formula in New Zealand* (INC, 2012). A quarter of companies with a policy on marketing activity outside 'advertising' provide this publicly. The links provided above are all applicable to both advertising and marketing.
168. Some 41% of the companies surveyed by the Taskforce had taken steps to reduce the exposure of children and/or young people to advertising and marketing of 'high saturated fat, salt and added sugar' foods and beverages over the past 5 years.



The initiatives taken by companies to reduce the exposure of children and/or young people to advertising and marketing of 'high saturated fat, salt and added sugar' foods and beverages were variously described by companies as:

- does not send e-newsletters to people under 18 years of age because they may contain advertisements of high saturated fat, salt and added sugar food and beverages
- made adjustments based on the new Children's Code
- requested additional reporting from media agencies as well as additional training to ensure 'value add' advertising opportunities are in line with policy.
- removed sponsorship of a branded road show
- part of a company's usual policy of not marketing to children
- stopped advertising its product on television as an indication of commitment to ASA and RCMI [the Australian Food and Grocery Council's Responsible Children's Marketing Initiative] advertising requirements
- all advertising and labels are subject to a rigorous internal review and sign off process
- marketing staff and agencies have all been in ASA presentations and all relevant materials have been circulated internally. All advertising is well considered with the ASA Codes in mind. The company is very careful with its content and placement and considers all aspects in relation to advertising to children and young people
- made changes to 'creative' to ensure it complies and with the risk, however minimal, of encouraging excessive behaviour. The company has also changed media placement to ensure there are no issues with the target audience
- does not advertise to children because children are not the companies' target market
- prior to the ASA *Children and Young People's Advertising Code* coming into effect, the development of an internal global standard on Marketing to Children was already underway. This standard set out minimum requirements that all of the company's global business units must meet to ensure responsible marketing of food and beverage products to children.

### ***Confectionery-free checkout lanes in Supermarkets***

169. Confectionery-free checkout lanes have been suggested as a step to provide shoppers, especially those accompanied by young children, with an option of a checkout where they will not be badgered by children or tempted themselves with a last-minute, impulse purchase of confectionery. The choice to use such checkout aisle remains with the shopper. The growing provision and popularity of self-checkout facilities might, over time, negate the need for confectionery-free checkouts than might otherwise have been the case. Nonetheless, where a supermarket presents a number of checkout lanes there should be at least one clearly identified as confectionery-free.

170. Both major supermarket chains have committed to the provision of confectionery-free checkout lanes.

### ***Recommendations for Food and Beverage Marketing***

**Recommendation 32:** Amend the ASA Children and Young People's Code to restrict fixed-site outdoor advertising (digital, billboard, sandwich board etc) of high saturated fat, salt and

added sugar products within 300 metres of the main gate of Primary and Intermediate schools by 30 June 2019.

**Recommendation 33:** Review with television broadcasters opportunities to expand the band of afternoon viewing restrictions for high saturated fat, salt and added sugar food and beverage outside school hours pre-6pm by June 2019.

**Recommendation 34:** The Association of NZ Advertisers and companies to identify and encourage adoption of best practice for controlling placement and targeting on digital/online/social media channels such as/use of 'age gate' mechanisms and use of white lists across the industry to limit inadvertent exposure to young audiences. ANZA to report on progress mid and end 2019.

**Recommendation 35:** Industry to develop with convenience store representatives a policy for store branding on convenience stores within a defined distance from Primary and Intermediate schools by December 2019.

**Recommendation 36:** Industry to present an annual report to Ministers and other stakeholders on compliance with the ASA Code, both media placement and creative.

**Recommendation 37:** The Association of NZ Advertisers to develop a 'certificate of compliance' recognising companies that complete accredited training and have in place mitigation policies to ensure compliance with the ASA Code by 30 June 2019. This might include training programmes completed by companies and their advertising agencies, use of external pre-vetting and mitigation and compliance steps taken in marketing.

**Recommendation 38:** ASA (lead), industry and the Government to proceed with a review of the Food and Beverage Classification System in order to design a fit-for-purpose system within 12 months (2019) taking into account any impact from the outcomes of the HSR 5-year review.

**Recommendation 39:** New advertisements that may have high attraction/appeal to children... be subject to pre-vetting to ensure compliance, particularly where internal compliance assessment may not be available, by 30 June 2019.

**Recommendation 40:** Industry, the Ministry of Health and the Ministry of Education, to develop a policy on school sponsorship (sports, cultural, events) by December 2019.

**Recommendation 41:** Encourage companies to publish advertising and marketing policies by 30 June 2019. The measure to be the number of companies with published advertising and marketing policies.

**Recommendation 42:** The Association of NZ Advertisers to develop a template of responsible advertising and marketing policy for those companies, particularly SMEs, that do not have such a policy by 31 March 2019.

**Recommendation 43:** Companies with multiple checkout lanes to report on their undertakings to provide confectionery free checkout lanes by December 2019.

## ***Labelling and Rollout of Health Star Rating System***

171. All food and beverage sold in New Zealand must meet mandatory labelling requirements as set out in the Australia New Zealand Food Standards Code. Of importance in terms of addressing factors affecting obesity are the ingredients list and the nutrition information panel. Also of note are the requirements around claims.
172. The Health Star Rating (HSR) system that commenced in 2014 is a significant voluntary undertaking developed jointly by governments and industry across Australia and New Zealand (MPI HSR resources 2018). The system is currently subject to a 5-year review that is to be reported on by the end of 2019. There is considerable focus on this review and a number of activities are on hold until the outcome is known. However, the full draft 5-year report with recommendations is to be published for public consultation in February 2019. This will provide a strong indication of the potential outcome of the review, and preliminary work on recommendations impacted by the 5-year review might be considered so as to minimise any delays in implementation.
173. There are also two labelling reviews being undertaken by the trans-Tasman Food Regulation Standing Committee: Labelling of Sugar and Naming Sources of Fats and Oils (Food Regulation Secretariat, 2018).
174. As noted at the outset, supermarkets are also major participants in the HSR system. By way of example, Foodstuffs has over 1,100 products carrying HSR labels, ranging from a half to five stars. Foodstuffs has not been selective on application of HSR and is working towards complete coverage of eligible products, having reached 94% coverage since commencement.
175. In parallel with the 5-year review, there is a trans-Tasman Sugar Labelling Review programme underway, conducted by the Food Regulation Standing Committee which advises the Ministerial Forum on Food Regulation. It is considered pre-emptive by the Taskforce to include recommendations in this report relating to sugar labelling other than commit to the Ministerial Forum's recommendations when the sugar labelling review is complete.
176. The Food Industry Taskforce recognises that both mandatory and voluntary labelling have to work in concert and that facilitation of further consumer awareness, understanding and choices of healthy foods and diets is vital.

### ***HSR***

177. MPI monitors uptake of HSR quarterly, and its most recent report was that there were over 4,000 SKUs in New Zealand carrying HSR. There is no estimate of eligible products for New Zealand but there has been an estimate made of 15,767 products for Australia (Jones et al 2018) which excludes notable areas of uptake in New Zealand such as Sanitarium, Frucor Suntory, Life Health Foods and Kellogg's. But the Australian figures include companies not covered in New Zealand as at mid-2018, such as Simplot Australia (included now for New Zealand), George Weston Foods, Mars, Nestlé and Schweppes (this last covered in New Zealand by Coca-Cola).
178. MPI lists 31 companies as participating in HSR in New Zealand (MPI Website 15 Nov 2018), while Jones et al (2018) lists 120 companies in Australia (in Appendix B to their paper). The disparity is, in part, explained by any company that has applied HSR at any time being listed in Australia whereas MPI lists only current participating companies.



Nonetheless, there would appear to be opportunity for those supporting HSR in industry to work with MPI to encourage wider uptake.

179. The independent consultants conducting the 5-year review published an issues paper (mpconsulting 2018) in October 2018 for submission by 7 December 2018, covering many of the concerns of consumers and companies. Four areas of issues are explored:
- scope of the HSR system
  - risk nutrients
  - positive nutrients
  - product specific issues.
180. Within each area, two or more issues are discussed and options presented for each. In total there are 10 issues described, ranging from sugars and sodium to oils and spreads and dairy desserts. Potentially this could result in at least 10 changes to the system since this remains just part of the final report. A further round of consultation is to be conducted in Q1-Q2 2019 of the full draft final report.
181. The Taskforce sought industry views on further education and awareness by the Government on HSR. Over 70% supported this. The value of the education and awareness programme cannot be over-emphasised and could build on the campaign that concluded in mid-2018. The population of supermarket and packaged food consumers is added to each year, and another education and awareness campaign will reinforce the understanding by those already aware and reach those new to the consuming population.
182. The Taskforce survey asked respondents what percentage of their product range eligible to carry HSR system applied it. Responses were spread between less than 10% and up to 100%. The largest percentages of product range were 20-30% of the range and 80-100% (both on 15% of respondents). There was also a sizeable group (12%) recording less than 10% of their product range carried HSR. It is considered important that one of goals going forward should relate to product range, that all eligible products should be labelled with HSR, and that products should not be 'cherry-picked'.

### ***Industry comments on HSR***

183. The following reflects a range of comments made by respondents to the Taskforce's survey concerning HSR:

- The New Zealand Beverage Council, whose members represent over 75% of the non-alcoholic ready-to-drink beverages sold at retail level, strongly supports HSR and encourages its members to adopt the HSR system's integrated energy icon on front-of-pack labelling.
- Coca-Cola NZ applies the HSR's integrated energy icon across 87% of its packs.
- Frucon applies the HSR energy icon across its portfolio of non-alcoholic beverages, including shelf stable and chilled juices, juice drinks, energy drinks, sparkling water, milk-based drinks, sports drinks and sports waters, kombucha and carbonated soft drinks.
- Fonterra continues to roll out HSR on packaging, prioritising "everyday" products and where the packaging is not also used for export to regions where HSR is not accepted. Fonterra is also on track to publish HSR on websites for all "everyday" products by the end of 2018.
- Kellogg's breakfast foods, including cereals, breakfast bars and biscuits and protein pouches, all carry the HSR. Application on snacks commenced but is now on hold pending the outcome of the 5-year review to minimise write-off packaging that needed to be updated.

- Heinz Wattie's has HSR on around 25% of applicable products and plans to add to the product information on its website in the interim of its labels being updated in line with other required label updates.
- Nestlé applies HSR on relevant categories in its range, including breakfast cereals, confectionery (energy icon), soups, noodles, and snacks. Nestlé also provides the total number of SKUs carrying the HSR to MPI quarterly.
- PepsiCo ANZ is supportive of the HSR and as of 2018 has started gradually transitioning snacks and beverage packs. The HSR values of all snacks are available on the company website.
- Sanitarium has applied HSR to over 90% of its products, including breakfast cereals (including portable), convenience, non-dairy milks, frozen desserts and spreads.
- Unilever supports HSR in Australia and New Zealand, and has rolled it out to more than 100 SKUs in New Zealand. Its commitment to HSR is published on its [website](#).
- Foodstuffs is committed to rolling out HSR on all eligible private label products and as new products are launched or existing products are repackaged. It has labelled 1,157 private label products to date, a 94% coverage. Of these, 53% rate 3.5 stars or higher.
- Countdown is committed to rolling out HSR on all eligible Own Brand products. We have reviewed 1,089 products to date and currently 86% have the HSR on front of pack, and almost half (47%) have a HSR of 3.5 or higher.

184. Almost one in five companies surveyed expected to reach 100% coverage of their eligible product range with target times varying between mid-2019 and within two to three years, but a quarter said this was not their expectation. Some 12% of companies said it was under consideration, while 15% said it was not being contemplated.

185. Reasons for not participating in HSR were variously given as product range not covered or not applicable (eg restaurants), or the system presented anomalies such as for some beverages. For some, uptake or expansion was dependent on the outcome of the 5 year review, expected to be completed by the end of 2019.

186. MPI commissioned a report from Colmar Brunton exploring issues such as what motivates the packaged food industry to take up the HSR system on some or all of their products, what are the barriers to uptake, and what would increase levels of voluntary implementation. For those companies that are watching developments, their reasons included no business case, lack of visibility of products in store, packaging logistics, and perception of inherent flaws in the system. For companies that were ambivalent, the key barriers were system knowledge, low involvement (time poor) and no tangible benefit to the business (Colmar Brunton 2016). Industry supports a focus on consumer education and as a result helps to create consumer demand, a more effective consumer education campaign, providing evidence as to efficacy of HSR, and the need to capitalise on influential others (nutritionists and media).

187. The Taskforce survey asked if respondents promoted HSR to consumers and or educated them on HSR. A quarter undertook promotion or education. The types of programmes include:

- website education and on pack education
- in relation to introducing relabelling products, one company assesses HSR to evaluate whether it is appropriate to reformulate to improve the HSR score
- promote HSR and provide educational material on their website to inform consumers what it is, how it was developed, how it works, and how consumers can use it

- in product advertising as relevant.
- plan to add to it to the company product information on the website while product labels are being updated in line with other required label updates
- Sanitarium product packaging includes a website address to an HSR education piece on the Sanitarium website. It is an article called 'What is the Health Star Rating on food packaging?', and includes a video explaining the system

### **Menu labelling**

188. The Food Regulation Standing Committee published a consultation report on menu labelling in Australia in May 2018 (Food Regulation Standing Committee, 2018). This considered the several systems operating in Australia. Since 2011, States and Territories have had the choice to introduce legislation to mandate menu labelling in their jurisdictions. As at May 2018, New South Wales, South Australia, the Australian Capital Territory, Queensland, and Victoria had all introduced such legislation covering the food choices of over 86% of the population. The key issue now being addressed by the Standing Committee is consistency; exclusions, thresholds and form.
189. Generally, menu labelling in Australia has been supported, national principles need revisiting to address inconsistencies, labelling needs to be on type of food sold not the type of business. But there is disagreement as to the inclusion of cafes, restaurants and convenience stores, a threshold of 50 or more outlets across Australia or 10 within a jurisdiction, prescription for displays with changeability and creativity, differences as to online versus point-of-sale information, kilojoule information preferred rather than an interpretive system, and clarity and simplicity sought.
190. Fast food developments are emerging that do away with static menu boards. Nonetheless, the form of delivery of labelling whether static or digital, should be considered at the point of choice by the customer.
191. NSW Food Authority's evaluation of its menu labelling programme for the programme's ability to change consumer behaviour demonstrated that "the median kilojoules purchased decreased significantly during the evaluation period (May 2011 to January 2013): an overall reduction of 519kJ (from 3355kJ to 2836kJ, or a 15% decrease" (NSWFA 2013). The evaluation went on to state that "consumers noticed the new information in outlets, there is a shift towards consumers having a better understanding of the average daily energy intake, and some reduction in kilojoules purchased was observed".
192. There has been limited evaluation of effectiveness in Australia, but elsewhere this has been a key feature. For example, in Ireland, menu labelling was introduced in 2012-13 and has been evaluated since then (McElroy K et al 2016, Clements et al 2016, Ussher GD 2015). McElroy says "Displaying calories in food service outlets has resulted in consumers purchasing fewer calories and this effect increases with time post calories menu labelling" and Clements says that such labelling "increases awareness of the caloric content of food and helps consumers choose foods with fewer calories".
193. A significant issue in Ireland was the calculation of calories, especially for SMEs. This was addressed by the Irish Government developing a menu calorie calculator (Flynn MAT et al 2014, Douglas FE et al 2014, Kelly SM et al 2014). This could be part of a phased approach in New Zealand.
194. A question in the Taskforce survey related to the use of menu labelling. This was not applicable for almost 60% of respondents (eg primary producers, manufacturers), and of the balance, 20% did use menu labelling and 28% did not. Respondents were then asked if they would label their menus as a mechanism to assist in addressing factors contributing



to obesity. This was not applicable for 65% of respondents, and of the balance, 23% said they would not use menu labelling and 20% that they would.

195. The survey canvassed what else the industry could do if it did not embrace menu labelling. This was not applicable to over half the respondents while others commented that (verbatim):

Survey comments on menu labelling

- there is already enough on packs, ingredients, COO, nutritional etc etc... another requirement seems over the top
- one company stated it was the first and only QSR to do this public facing on menu boards
- already provide detailed nutritional information for products across our menu
- healthy serving options
- label meals
- advise on healthy eating options if asked when customer is ordering
- would only label menus with kilojoule values. A nutritional value breakdown of the company's core product was available on its website.
- company nutrition policy highlights the approach being taken to assist in addressing obesity
- do not provide menu options
- nutritional information is on all packs
- cafeteria food and nutrition guidelines – currently range of options including salads, sandwiches, fruit, main meals including meat vegetables and carbohydrate options – small and large sizes available.
- have internal guidelines for recipes published on our website. We could possibly add nutrition info on these.
- an association offered the provision of general messaging around the role of meat in a varied diet with plenty of vegetables

**Industry examples of education and awareness**

196. Fonterra has a page on its website to educate consumers as to what the HSR is, its origin, how consumers can use it, and how it works.  
<https://www.anchordairy.com/nz/en/nutrition-stories/health-star-rating.html>
197. Nestlé provides extensive information on HSR digitally. Links here:  
<https://www.nestlechoosewellness.co.nz/staying-healthy/health-star-ratings-what-do-they-mean-to-you-2/>  
<https://www.nestlechoosewellness.co.nz/featured/now-its-easier-to-shop-for-healthier-packaged-foods/>
198. Nestlé also provides information and client support materials for dietitians, including portion toolkits, HSR pocket cards, healthy eating posters and brochures..
199. The Sugar Research Advisory Service (SRAS, [www.srasnz.org](http://www.srasnz.org)), which is supported by NZ Sugar, has provided articles, latest news and developments on the HSR and links to the HSR website for further information. It also provides the latest scientific research that has been published in relation to the HSR.
200. Pepsico provides ongoing employee training and education across all functions, including senior leaders. Transparent information regarding the snacks portfolio has been on the company website since 2017. Pepsico actively participates in broader initiatives via industry trade associations.

201. Sanitarium product packaging includes a website address to an HSR education piece on the Sanitarium website. It is an article called '[What is the Health Star Rating on food packaging?](#)' which also includes a video explaining the HSR system.
202. Countdown includes HSR information on its website:  
<https://www.countdown.co.nz/food-hub/healthy-hub/health-star-rating>
203. The August 2017 release of the Sanitarium *Wholicious Living* electronic newsletter, which was sent to just under 4,700 people with an open rate of about one-third, included an article called '[Make a healthier choice with the health star rating](#)'. This article now features on the website and includes an illustration to demonstrate that only products within category should be compared when using the HSR to choose a product. The full HSR (star rating and icons) across its product range is also featured on the Sanitarium website.
204. Mondelez International has resources available to health professionals and consumers to educate them on the importance of 'mindful snacking.' These resources are based on scientific research, have been developed with nutritionists, and are designed to be easily understood and practical for health professionals and consumers. <http://www.health-pro.snackmindful.com/>.
205. The Beverage Council includes information on HSR on its website, including a link to an MPI video explaining how the rating works:  
<https://www.nzbeveragecouncil.co.nz/positions/labelling/>.
206. Some 73% of companies surveyed by the Taskforce supported continued consumer education by the Government.

#### ***Other forms of nutrition information labelling***

207. Beef&Lamb flags those recipes it develops that are low fat (less than 3g/100g), low in sodium (less than 120mg/100g), a source of iron (10% RDI), and an excellent source of iron (25% RDI). Beef&Lamb has not recorded the proportion of recipes that meet these.
208. Countdown continues to roll out nutrition product information to its online shopping website to help customers make more informed choices. Currently more than 10,000 products have nutrition information. Its recipes cards available in store now display dietary and nutritional information to help customers make healthier choices
209. Dominos believes in being transparent with their customers to help them with their food choices. This includes providing all relevant information relating to nutritionals, allergens and additives clearly [on its website](#) to help customers choose food that fits into their lifestyles.
210. Fonterra applies the mandatory nutrition information on all consumer-ready products as per the Food Standards Code requirements. Its Food Service products also contain nutrition information in the form of a NIP on packaging. This information can be found on the Fonterra Anchor Food Professionals website:  
<https://www.anchorfoodprofessionals.com/nz/en/products.html>
211. Frucor applies on-pack nutrition information labelling across its portfolio. All Frucor's products comply with the Food Standards Code and carry a NIP (nutrition information panel) which clearly states energy, protein, fat, carbohydrate, sugar and sodium values. The Frucor V website also contains this information in an easy-to-access format for its



QSR and food service customers. <https://v.co.nz/products> click on the individual products for the nutritional information.

212. Foodstuffs supports the United Fresh and the 5+ A Day labelling programme, which promotes daily consumption of 5+ servings of fruit and vegetables and which appears on over 350 home label products.
213. Kellogg's was one of the first companies to provide nutrition information panels on foods. It led the way in developing and communicating the Daily Intake Guide on all packs and was an early adopter of HSR. Products in the system are online. The company provides information on the benefits of breakfast and cereal via various communication channels.
214. Heinz Wattie's frozen & canned vegetable and canned fruit range have an on-pack device 'Wattie's Fruit & Veg Each Day' indicating the number of fruit or vegetable serves in the product.
215. McDonald's provides full nutrition and ingredient information online (<https://mcdonalds.co.nz/maccas-food/nutrition>) and on tray mats. Core packaging includes nutrition info/links.
216. Nestlé provides on-pack portion guidance on many products and on-pack serving guidance for breakfast cereals and MAGGI recipe bases, to encourage a healthy balanced meal.
217. SRAS provides the mandated labelling information for all its products which includes sugars in the nutrient information panel, ingredients list and serving size information.
218. Sanitarium has full nutrition information panels available for each product on its website as well as for all Sanitarium recipes. Sanitarium also has a booklet 'Healthy Eating – Reading Food Labels' and website article <https://www.sanitarium.co.nz/health-nutrition/nutrition/understanding-food-labels> on how to interpret food labels.
219. Unilever has a long history of providing clear nutrition labelling to consumers and, in addition, provides the %DI for energy on the front of pack, and %DI for other nutrients in the nutrition information panel.
220. Mondelēz International is a founding member of Be Treatwise® in Australia and New Zealand, and its confectionery products display the logo. Be Treatwise® is a message to educate and remind people that confectionery is a treat that is designed to be enjoyed as part of a balanced diet and active lifestyle. Be Treatwise® labels include a message to enjoy treats as part of a balanced lifestyle and a link to the Be Treatwise® website.
221. Coca-Cola New Zealand provides nutritional information on pack about all its products. It has launched an online beverage comparison tool allowing comparisons of nutrient information and product ingredients across its beverages. Over 95% of its vending machines have energy (kilojoule) information panels and it highlights serves-per-pack on the front-of-label of multi-serve bottles (e.g. 1.25L = 5 serves) to show how many serves it contains.

### ***Recommendations for Labelling and Rollout of Health Star Rating System***

**Recommendation 44:** Industry to identify actions, in conjunction with MPI, to encourage greater uptake of HSR. This should encompass measures to encourage application on all



eligible products within a company's product range rather than selecting a limited range. This is intended to build further consumer familiarity and broaden application on supermarket shelves. The measure to be the increase in uptake annually.

**Recommendation 45:** Industry to consider further actions necessary or applicable after the outcome of the HSR 5-year review is announced in the latter half of 2019.

**Recommendation 46:** The Government to resource a further promotion and awareness campaign for HSR commencing as soon as possible to build on the campaign that concluded mid-2018.

**Recommendation 47:** MPI and industry to review the regulatory provisions for menu labelling in various Australian States and Territories with a view to voluntary application of the best elements in New Zealand. This review to be complete for implementation end 2019.

**Recommendation 48:** Fast food outlets to agree a voluntary approach to provide customers with guidance on healthier eating options(both on menus and if asked) and nutrition information by December 2019. Evidence of this might include reference in frontline training.

**Recommendation 49:** Companies/associations to voluntarily add nutrition information to recipes they publish on-line. A baseline survey is necessary in order to assess progress in this over time.

**Recommendation 50:** Industry to take on the recommendations that might result from the developments of the Australia and New Zealand Ministerial Forum on Food Regulation *Labelling of Sugars on Packaged Foods and Drinks* review.

### **Other Comments**

222. Manufacturers within the Taskforce discussed taxes on sugar. There are a number of models operating globally. The New Zealand Food & Grocery Council has tracked developments in a number of countries and believes that taxes targeting a single nutrient in a defined product range does not achieve the objectives of reducing the sale of particular products.

223. In recent years, taxes on soft drinks have been introduced in Mexico, the City of Berkley in California, and more recently in the United Kingdom and South Africa. In their report, *Sugar Taxes: A Review of the Evidence*, the New Zealand Institute of Economic Research (NZIER) found the evidence was weak for sugar taxes improving health outcomes.

224. As part of its research, NZIER analysed 47 peer-reviewed studies and working papers relating to sugar taxes and found that:

- estimates of reduced intake were often overstated due to methodological flaws and incomplete measurements
- there was insufficient evidence to judge whether consumers were substituting other sources of sugar or calories in the face of taxes on sugar in drinks
- studies using sound methods reported reductions in intake that were likely to small to generate health benefits and could easily be cancelled out by substitution of other sources of calories; and
- no study based on actual experience with sugar taxes had identified an impact on health outcomes.

225. Likewise, McKinsey Global Institute's 2014 report *Overcoming Obesity: An Initial Economic Analysis* found that taxing sugar was one of the least effective interventions in

combating obesity. The study found that of 40 model interventions, taxation was not in the top 10 interventions, and that the science supporting taxation as an effective policy intervention was deemed weak. The McKinsey Global Institute instead stated that the most effective way to combat obesity was reformulation, offering smaller portion sizes and providing better education. These are all actions endorsed by the Food Industry Taskforce

226. Disincentivising the purchase of products containing high saturated fat, salt and added sugar with gifts to children under 14 years is an area that was debated by the Taskforce but no recommendation was determined since competitions generally require parental/guardian permission to enter.
227. The Taskforce is keen to see a self-checking arrangement in place for assessing the extent of action on the recommendations proposed in this Report. This could take the form of inclusions in a Pledge or Scorecard arrangement or it could be added to an annual reporting of some form to the Government. This remains an area to be explored further

**Recommendation 51:** The Taskforce develop a checklist of the recommendations to be undertaken by industry for companies to self-check and report against annually for the Government.

## Conclusion

228. The food industry, representing the processing and manufacturing industry, the retail industry and the fast food, hospitality, restaurants, baking and service station sectors, has engaged solidly in the work of the Food Industry Taskforce to enable delivery within less than six months this Report on “a package of practical measures that will make a contribution to the broader range of government initiatives aimed at addressing consumer knowledge and consumer healthier choices.” (Taskforce Terms of Reference, Attachment A).
229. Throughout this Report, there is reference to information and suggestions collected through an industry survey conducted in August and October 2018 from companies and associations on practical measures taken or that could take in the future.
230. The more than 50 recommendations deliver this ‘package of practical measures’ in the five main areas of:
- Food and Beverage Formulation and Innovation
  - Employee Health and Wellness Programmes
  - Community and Education Initiatives
  - Food and Beverage Marketing
  - Labelling and the rollout of Health Star Ratings.
231. Three aspects are considered the highest priority activities for the industry: Reformulation, the Health Star Rating system, and Education. While these are priorities, the Taskforce has included a broad range of recommendations on the basis that as many steps as possible should be taken to address factors contributing to obesity rather than limiting activity to a ‘top three’ or similar.

### *Reformulation*

232. Reformulating packaged foods, and developing new products that reflect reduced negative nutrients and increased positive nutrients removes the need for the consumer to change behaviour to get healthier foods – they simply make a choice. The Taskforce recognises this as a powerful way of addressing factors that contribute to obesity. To

deliver this requires the expansion of reformulation targets, beyond the current targets, into a broader range of categories. The Taskforce proposes that New Zealand pick up the categories identified and the targets being developed in Australia so that there is trans-Tasman alignment for products sold in both countries. The beverage industry is specifically developing a bold new sugar reduction pledge, to be announced in the first quarter of 2019.

233. National Nutrition Surveys are needed to form an evidence base to set targets and direct efforts for reformulation and education. Both the Children's National Nutrition Survey and the Adult National Nutrition Survey (last conducted in New Zealand in 2002 and 2008 respectively) need to be conducted again. Without these, we do not know the extent of change in consumption patterns in the past one to two decades.

#### *HSR*

234. Companies have undertaken extensive reformulation on many of the estimated quarter of the eligible packaged foods available that currently carry HSR. This has built on work by the manufacturing sector, which has targeted sugar, salt and saturated fat over the past decade. The Taskforce focuses on expansion (increased uptake) and consumer education but recognises that the 5-Year Review of the system, which is currently underway and due for conclusion by the end of 2019, must be taken into account in this area.

#### *Education*

235. Education on nutrition and the development of cooking and shopping skills for children is seen to create an intergenerational understanding of a balanced diet and how to best deliver it. This extends to education on kilojoule information for menu boards in fast food outlets and for recipes provided on industry websites.
236. Other recommendations in the Reformulation and Innovation area cover company nutrition policies, serving and portion size, and uptake of the Be Treatwise® programme in New Zealand.
237. With more than 750,000 working New Zealanders in the food industry, this captive sector of the population already benefits from employer health and wellbeing initiatives. The industry is very active and innovative in this area and this Report focuses on sharing, expanding and developing programmes.
238. The food industry is active in the community, not only as an employer but in giving back and support. This Report describes many of the programmes that deliver health and wellbeing to New Zealanders, but most particularly to school children and young people. Many national and local programmes are covered in Attachment E. Aside from school-related educational recommendations, the Report focuses on sharing, expanding and developing programmes. It also identifies the value of a food industry liaison point in each of the Ministries of Health and Education to enhance collaboration and joint work especially in the development of resources for schools.
239. Also in relation to schools, the industry is seeking the Government's assistance to address the sale of drinks other than water to Primary and Intermediate schools.
240. In marketing, steps that particularly focus on children and young people have been the primary focus. For food high in saturated fat, salt and added sugar, this includes expanding the period of television viewing during which advertisements aimed at children are not to be shown; restricting fixed site outdoor advertising (digital, billboard, sandwich board etc) within 300 metres of the main gate of Primary and Intermediate schools; and setting a defined distance from Primary and Intermediate schools for store branding, subject to discussions with convenience stores. Other marketing related recommendations cover

publication of company marketing policies and development of a schools sponsorship policy, best practice in advertising and reporting, and review of the Food and Beverage Classification System that underpins the Advertising Standards Authority's *Children and Young People's Advertising Code*.

241. This Report recommends that healthy eating options appear on menus and be provided by frontline fast food staff as part of their training on interacting with customers. It also recommends that supermarkets with multiple checkout lanes provide a confectionery-free lane.
242. Companies that signed the Government's Healthy Kids Industry Pledge scheme in 2016 reported to the Government for the 2017 year, covering a number of the areas covered by the Taskforce's work. These companies and others have prepared 'Report Cards' covering similar areas for this Report (Attachment F). For the future, and in addition to reporting in specific areas, the Taskforce developed a checklist of the recommendations to be undertaken by companies to assist them in self-checking and reporting annually to the Government (Attachment G).
243. This Report is the culmination of an intense period of work by the food industry, culminating in December 2018, the historically busiest period of the year for many in the food industry. It signals the commitment of the industry to contribute many and varied actions to address factors contributing to obesity in New Zealand and which are intended to work in concert with other Government initiatives in areas outside the food industry, such as sport, general education, promotion and awareness, literacy, cultural influences, economic, demographic social and environmental issues and individuals' food choices.

## List of recommendations

### Reformulation and Innovation

**Recommendation 1:** Nutrition policies and guidelines should be public facing for food and beverage companies including food manufacturers, brand owners and fast food service interests with more than 10 outlets by 1 June 2019.

**Recommendation 2:** Industry associations work together to develop a nutrition policy template for SMEs, to use in the future, by June 2019 and informed by government/NGO positions.

**Recommendation 3:** The Government to proceed immediately to initiate a Children's National Nutrition survey to update the 2002 survey. While consideration might be given to phasing and segmenting the survey to spread cost over time, immediacy of commencement is vital for reasons set out in the foregoing discussion.

**Recommendation 4:** The Government to schedule the conduct of an Adult National Nutrition Survey as soon as possible to update the 2008 survey for all the reasons set out in the foregoing discussion.

**Recommendation 5:** The Government (lead), with the Heart Foundation and industry, agree, where possible and appropriate, to adopting the same voluntary nutrient reformulation targets identified by the Australian Healthy Food Partnership in categories that align with the New Zealand Heart Foundation Targets. Work on this should commence in early 2019 and targets agreed by mid-2019. Progress should be reported by December 2021. The measure would reflect the percentage of target product by sales volume active in the reformulation to meet the targets.

**Recommendation 6:** Where targets identified by the Australian Healthy Food Partnership are in categories that do not align, consideration be given as to whether, and how best, these might be adopted. This should be conducted in parallel with Recommendation 1, with the Government (lead), the Heart Foundation, industry and other expert groups reviewing the full completed list of Australian Healthy Food Partnership targets during 2019 to identify additional targets that could commence in New Zealand in 2020 and be reported on two years after commencement. The measure would reflect the percentage of target product by sales volume active in the reformulation to meet the targets.

**Recommendation 7:** To further accelerate the reduction of sugar New Zealanders consume from beverages the New Zealand Beverage Council finalises its all-new sugar reduction pledge (20% by 2025) and launches it in the first quarter of 2019.

**Recommendation 8:** Following the completion of each phase of the Children's National Nutrition Survey, the Government, the Heart Foundation and industry to review the categories and associated targets to identify any adjustments appropriate for the New Zealand population.

**Recommendation 9:** The Government and industry to agree on the definitions of 'serve', 'serving', and 'portion', based on the Australian Healthy Food Partnership work in this area by March 2019. The measure is agreement by the Government and industry.

**Recommendation 10:** The Government and industry establish principles to apply for determining serving size by mid-2019 in line with the Australian Healthy Food Partnership work

(had been expected December 2018). The measure is agreement on principles by the Government and industry.

**Recommendation 11:** Once principles for determining serving size are established, the Government and industry develop and identify implementation strategies to adopt an awareness campaign on portion guidance and serving size by December 2019. The measure is an action programme of strategies, and level of awareness achieved over current awareness.

**Recommendation 12:** The Government and industry develop and adopt voluntary principles and serving-size ranges (including for fast and snack foods) and establish a pledge programme for uptake by December 2019, subject to review after a three-year period of application. The measure is extent of pledges by industry.

**Recommendation 13:** Once principles for determining serving size are established, industry develops a best-practice guide for serving size and portion guidance in line with the Australian Healthy Food Partnership. This should provide guidance and support to food companies to incorporate nutrition as a key driver in labelling decisions regarding the size of servings and the size of food and drinks offered. This could be part of wider guidance from the Australian Healthy Food Partnership. Areas for guidance, relating to serving size and portion size, include:

- Adopting consistent terminology
- Off-pack labelling information
- Voluntary goals relating to serving size
- Promoting appropriate portion sizes
- Serving control devices in product presentation
- Advice about serving size in consumer communication material.

**Recommendation 14:** The New Zealand Food & Grocery Council and the confectionery industry identify strategies to further promote uptake of the Be Treatwise® programme in New Zealand and raise awareness across consumers. The measure is an action programme of strategies, and level of awareness achieved over current awareness.

### ***Employee Health and Wellness Programmes***

**Recommendation 15:** Industry to increase sharing and promoting health and wellness programme best practice by increasing the presence on their websites of steps they are taking and initiatives underway. Benchmark to be assessed from current websites of top 20 major manufacturers by category volume and reassessed in December 2020.

**Recommendation 16:** Industry and the Government to further promote company and government tools on health and wellness for smaller companies to draw on. The Government to assist this process by 'pushing' ideas and successful programmes out to food and beverage companies they contact. This could be measured by reach and frequency of communication. The measure to be a continuation and amplification of the Government's programme supplemented by an assessment of industry communication.

**Recommendation 17:** Industry and the Government to recognise and promote innovative programmes that address to factors contributing to obesity through direct and indirect communication channels. The measure to be reach and frequency of communication over two years to December 2020.



**Recommendation 18:** Industry associations to identify initiatives to increase uptake/penetration of offered health and wellness programmes within companies. The benchmark to be nominated by industry associations and reassessed by survey in 2020.

**Recommendation 19:** Industry associations to develop a 'Small but Beautiful' minimalist health and wellness programme for companies with 0-10 employees operating in the food and beverage industry in collaboration with the Health Promotion Agency and/or Ministries of Health and Primary Industries by December 2019. This programme to be rolled out to other industries if successful.

### ***Community and Education Initiatives***

**Recommendation 20:** Companies are encouraged to continue programmes, especially those that have been demonstrably successful at improving the health and wellbeing of the community.

**Recommendation 21:** Companies to expand community programmes where feasible or develop ways to join with other companies, associations, communities and other Government initiatives to expand.

**Recommendation 22:** Industry and the Government to promote (with associations) templates of community programmes (that set out description, resourcing, ideas for implementation and aspects to particularly consider) to increase uptake by more companies.

**Recommendation 23:** The Ministries of Health and Education establish industry liaison positions as points of contact for the food and beverage industry to facilitate ongoing engagement on community and education initiatives.

**Recommendations 24:** Ministries of Health and Education and industry develop Guiding Principles for developing school resources.

**Recommendation 25:** The Government works with schools to encourage them to adopt a water-only policy that supports the pledge made by New Zealand Beverage Council members to only supply bottled water to primary and intermediate schools.

**Recommendation 26:** Specific to the 'The Cooking Curriculum Project' developed by Vegetables NZ and The Heart Foundation:

- By 2020, 80 % of teachers of the cooking curriculum are using the resources and tools to teach year 7 and 8 students to cook a meal
- By 2021, 80% of students at the end of year 8 are able to cook a healthy meal.

**Recommendation 27:** Companies are encouraged to prioritise/develop programmes or content relevant and accessible to 'at risk' populations such as in low decile school areas (if not already doing so, and as appropriate) in order to reach low socioeconomic communities.

**Recommendation 28:** Companies encouraged to prioritise/develop culturally relevant programmes to Maori and Pacific as appropriate.

**Recommendation 29:** Industry to develop strategies to increase the number of companies supporting NGOs in areas affecting obesity such as through partnering or social responsibility investment.

**Recommendation 30:** Associations to develop strategies to increase the number of companies educating consumers online through their company websites.

**Recommendation 31:** Where initiatives are evaluated, companies form summaries which are made public in order to show the level of impact and as a means of encouraging others to undertake similar programmes.

### ***Food and Beverage Marketing***

**Recommendation 32:** Amend the ASA Children and Young People's Code to restrict fixed-site outdoor advertising (digital, billboard, sandwich board etc) of high saturated fat, salt and added sugar products within 300 metres of the main gate of Primary and Intermediate schools by 30 June 2019.

**Recommendation 33:** Review with television broadcasters opportunities to expand the band of afternoon viewing restrictions for high saturated fat, salt and added sugar food and beverage outside school hours pre-6pm by June 2019.

**Recommendation 34:** The Association of NZ Advertisers and companies to identify and encourage adoption of best practice for controlling placement and targeting on digital/online/social media channels such as/use of 'age gate' mechanisms and use of white lists across the industry to limit inadvertent exposure to young audiences. ANZA to report on progress mid and end 2019.

**Recommendation 35:** Industry to develop with convenience store representatives a policy for store branding on convenience stores within a defined distance from Primary and Intermediate schools by December 2019.

**Recommendation 36:** Industry to present an annual report to Ministers and other stakeholders on compliance with the ASA Code, both media placement and creative.

**Recommendation 37:** The Association of NZ Advertisers to develop a 'certificate of compliance' recognising companies that complete accredited training and have in place mitigation policies to ensure compliance with the ASA Code by 30 June 2019. This might include training programmes completed by companies and their advertising agencies, use of external pre-vetting and mitigation and compliance steps taken in marketing.

**Recommendation 38:** ASA (lead), industry and the Government to proceed with a review of the Food and Beverage Classification System in order to design a fit-for-purpose system within 12 months (2019) taking into account any impact from the outcomes of the HSR 5-year review.

**Recommendation 39:** New advertisements that may have high attraction/appeal to children be subject to pre-vetting to ensure compliance, particularly where internal compliance assessment may not be available, by 30 June 2019.

**Recommendation 40:** Industry, the Ministry of Health and the Ministry of Education, to develop a policy on school sponsorship (sports, cultural, events) by December 2019.

**Recommendation 41:** Encourage companies to publish advertising and marketing policies by 30 June 2019. The measure to be the number of companies with published advertising and marketing policies.

**Recommendation 42:** The Association of NZ Advertisers to develop a template of responsible advertising and marketing policy for those companies, particularly SMEs, that do not have such a policy by 31 March 2019.

**Recommendation 43:** Companies with multiple checkout lanes to report on their undertakings to provide confectionery free checkout lanes by December 2019.

### ***Recommendations for Labelling and Rollout of Health Star Rating System***

**Recommendation 44:** Industry to identify actions, in conjunction with MPI, to encourage greater uptake of HSR. This should encompass measures to encourage application on all eligible products within a company's product range rather than selecting a limited range. This is intended to build further consumer familiarity and broaden application on supermarket shelves. The measure to be the increase in uptake annually.

**Recommendation 45:** Industry to consider further actions necessary or applicable after the outcome of the HSR 5-year review is announced in the latter half of 2019.

**Recommendation 46:** The Government to resource a further promotion and awareness campaign for HSR commencing as soon as possible to build on the campaign that concluded mid-2018.

**Recommendation 47:** MPI and industry to review the regulatory provisions for menu labelling in various Australian States and Territories with a view to voluntary application of the best elements in New Zealand. This review to be complete for implementation end 2019.

**Recommendation 48:** Fast food outlets to agree a voluntary approach to provide customers with guidance on healthier eating options (both on menus and if asked) and nutrition information by December 2019. Evidence of this might include reference in frontline training.

**Recommendation 49:** Companies/associations to voluntarily add nutrition information to recipes they publish on-line. A baseline survey is necessary in order to assess progress in this over time.

**Recommendation 50:** Industry to take on the recommendations that might result from the developments of the Australia and New Zealand Ministerial Forum on Food Regulation *Labelling of Sugars on Packaged Foods and Drinks* review.

### ***Other Comments***

**Recommendation 51:** The Taskforce develop a checklist of the recommendations to be undertaken by industry for companies to self-check and report against annually for the Government.

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